

Bill No D-86-06-19

(amended)(amended)

Special ORDINANCE NO. S-106-86

An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$4,262,865.05 with respect to bond income growth securities and not to exceed \$17,575,297.00 with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$21,838,162.05 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the water works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and repealing ordinances inconsistent therewith.

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed water works pursuant to I.C. 8-1.5-2 (the "Water Act") and predecessor statutes thereto (the "Water Act"), and now owns and operates said waterworks pursuant to the Water Act; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of

1967" (the "1967 Bonds"), dated November 1, 1967, now outstanding in the amount of One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000), maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of 1968" (the "1968 Bonds"), dated December 1, 1968, now outstanding in the amount of Two Million One Hundred Eighty Thousand Dollars (\$2,180,000), maturing annually over a period ending January 1, 2000, on which bonds are on a parity with the 1967 Bonds and also constitute a first charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of 1978" (the "1978 Bonds"), dated December 1, 1978, now outstanding in the amount of Fifteen Million Three Hundred Seventy Five Thousand Dollars (\$15,375,000), maturing annually over a period ending January 1, 2003, which bonds are on a parity with the 1967 Bonds and the 1968 Bonds and also constitute a first charge upon a portion of the gross revenues of the waterworks; and



WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Junior Waterworks Refunding Revenue Bonds of 1982" (the "1982 Bonds"), dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$3,075,000), maturing annually over a period ending January 1, 2002, which bonds are subordinate to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds and constitute a second charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council now finds that the refunding of the 1967 Bonds, the 1968 Bonds, the 1978 Bonds and the 1982 Bonds (collectively the "Outstanding Bonds") is necessary and advisable (i) to restructure the City's debt so that with respect to the revenue refunding bonds the City will have no principal payment obligations for a three-year period and (ii) to modify restrictive covenants in the ordinances authorizing the Outstanding Bonds impeding additional financing; and

WHEREAS, the Common Council finds that the financial advisor to the City has advised that the amount necessary for the refunding of the Outstanding Bonds to be financed by the refunding bonds, including estimated incidental expenses, will not exceed \$21,838,162.05; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue refunding bonds have been complied with in accordance with the provisions of the Water Act and I.C. 5-1-5 (the "Refunding Act"); now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Refunding Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means, with respect to the Conversion Amount of the Bond Income Growth Securities and the Maturity Amount of the Capital Appreciation Bonds, the denomination of \$5,000 or any integral multiple thereof.

"Bond Income Growth Securities" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Bond Income Growth Securities and termed Bond Income Growth Securities in Section 3 hereof.

"Bond and Interest Redemption Account" means the Bond and Interest Redemption Account described in Section 11 hereof, including therein the Waterworks Reserve Account.

"Bond Investors Guaranty" means Bond Investors Guaranty Insurance Company and its successors.

"Capital Appreciation Bonds" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Capital Appreciation Bonds and termed Capital Appreciation Bonds in Section 3 hereof.



"Compound Accreted Amount" means, with respect to each date set forth in Section 3 hereof under the headings "Compound Accreted Amounts for Bond Income Growth Securities" and "Compound Accreted Amounts for Capital Appreciation Bonds," for each Bond Income Growth Security and each Capital Appreciation Bond, respectively, the aggregate principal and interest (per \$5,000 Conversion Amount of such Bond Income Growth Security and Maturity Amount of such Capital Appreciation Bond) set forth in said Section.

The Compound Accreted Amount for any Bond Income Growth Security or Capital Appreciation Bond (per \$5,000 Conversion Amount of such Bond Income Growth Security or \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in Section 3 hereof, and prior to the Conversion Date of such Bond Income Growth Securities or the stated maturity of such Capital Appreciation Bonds, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond or in this Bond Ordinance shall, with respect to the Bond Income Growth Securities or the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security or Capital Appreciation Bond, as of any relevant date.

"Conversion Amount" means the aggregate principal and interest (the Compound Accreted Amount) on a Bond Income Growth Security on the Conversion Date.

"Conversion Date" means July 1, 1996.

"Eligible Investments" means:

1. Direct and general obligations of the United States of America, or obligations which are unconditionally guaranteed as to principal and interest by the United States of America.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States Obligations. Investment in these proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the instrumentalities, or agencies of the United States of America described below:



- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;
- (h) Private Export Funding Corp.;
- (i) Tennessee Valley Authority.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations shall not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or Eligible Investments described in No. 1 ("United States Obligations"), which cash or United States Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) The United States Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

4. Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's Investors Service ("Moody's") or Standard and Poor's Corporation ("S&P") (if rated at all).

5. Direct and general short term obligations of any state of the United States described in No. 4 above which are rated in the highest rating category by Moody's and S&P (if rated at all).

6. Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company which is a member of the Federal Deposit Insurance Corporation ("FDIC") or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation ("FSLIC") which are (a) continuously and fully



insured by the FDIC or the FSLIC, or (b) with a bank which has outstanding debt, or which is a subsidiary of a one-bank holding company which has outstanding debt, rated at least P-1 by Moody's or at least A-1 by S&P, or (c) continuously and fully secured by obligations of the type described in Nos. 1 and 2 above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in the United States Obligations serving as collateral, and such collateral must be free from all third party liens.

7. Long term or medium-term corporate debt guaranteed by any corporation which is rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which is less than 30 days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer which is rated, or the parent holding company of which is rated, investment grade by Moody's or S&P. The repurchase agreement must be continuously and fully secured

by obligations of the type described in No. 1 or No. 2 above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.

9. Prime commercial paper of a United States corporation, finance company or banking institution rated "P-1", or "A-1" by Moody's or S&P, respectively.

10. Public housing bonds issued by public agencies. These bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition of payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

"Escrow Agreement" means the Escrow Agreement, dated as of August 1, 1986 between the City and the Escrow Trustee.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement and described in Section 10 hereof.



"Escrow Trustee" means the Escrow Trustee authorized in Section 10 hereof.

"Government Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

- (a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal and premium payments of such municipal obligations;
- (c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent;

provided that any investment or deposit described above is not prohibited by applicable Indiana law.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interest are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Holder" means the person in whose name a Refunding Bond is registered on the Register.

"Interest Payment dates" means, as to any Bond Income Growth Security, each July 1 or January 1, commencing on January 1, 1997, or, if any such day is not a business day, the immediately preceding business day in the years during which the Bond Income Growth Securities are outstanding under the provisions of this Bond Ordinance.

"Maturity Amount" means the aggregate principal and interest due and payable at the stated maturity of a Capital Appreciation Bond.



"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by Bond Investors Guaranty simultaneously with the delivery of the Refunding Bonds, insuring the payment of principal of and interest on all or any of the Refunding Bonds in accordance with the terms thereof.

"Net Earnings" means the earnings of the waterworks remaining after providing for the payment for operation and maintenance expenses for the waterworks.

"Outstanding Bonds" means the Outstanding Bonds as defined in the preambles hereto.

"Paying Agent" means the Paying Agent authorized in Section 4 hereof.

"Refunding Act" means Ind. Code 5-1-5.

"Refunding Bonds" means the \$21,838,162.05 City of Fort Wayne Waterworks Revenue Refunding Bonds authorized in Section 3 hereof.

"Register" means the books kept and maintained by the Registrar for registration of principal and interest on the Refunding Bonds and for registration or transfer of the Refunding Bonds.

"Registrar" means the Registrar authorized in Section 4 hereof.

"Special Utility Account" means the Special Utility Account created in Section 13 hereof.

"Waterworks Refunding Expense Fund" means the Waterworks Refunding Expense Fund created in Section 11 hereof.

"Waterworks Reserve Account" means the Waterworks Reserve Account created in Section 11 hereof.

"Waterworks Reserve Requirement" means one year's maximum principal and interest on all Refunding Bonds and any bonds on a parity with the Refunding Bonds; provided, however that (a) prior to January 1, 1990 the Waterworks Reserve Requirement with respect to the Refunding Bonds may be equal to the balance in the Waterworks Reserve Account on the date of issuance of the Refunding Bonds plus interest accrued thereon from the date of issuance and (b) principal and interest requirements for the final maturity year of any series of bonds, including the Refunding Bonds, shall be computed by subtracting from total principal and interest requirements for that series of bonds in that year the balance in the Waterworks Reserve Account allocable to that series.

"Waterworks Tax Account" means the Waterworks Tax Account created in Section 13 hereof.

"Water Act" means Ind. Code 8-1.5-2.

Section 2. The City shall proceed with the refunding of the Outstanding Bonds and the cost of refunding the Outstanding Bonds, including the cost of issuance, shall not exceed the sum of \$21,838,162.05 without further authorization from this Common Council. The terms "waterworks," "works," and other like terms where used in this Bond Ordinance shall be construed

to mean and include all structures and property of the City's water utility. The bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Water Act and the Refunding Act, and all acts supplemental thereto, relating to the issuance of revenue refunding bonds.

Section 3. The City shall issue its waterworks revenue refunding bonds in an original principal amount, with respect to Bond Income Growth Securities not to exceed \$4,262,865.05 and with respect to Capital Appreciation Bonds not to exceed \$17,575,297.00 together aggregating an amount not to exceed \$21,838,162.05 (the "Refunding Bonds"), for the purpose of procuring funds to apply to the refunding of the Outstanding Bonds, including the cost of issuance.

(a) Form and Numbering. The Refunding Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Refunding Bonds or authorized denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.

(b) Denomination and Dates. The Bond Income Growth Securities shall be issued in Authorized Denominations and shall be dated as of the date of issuance if authenticated prior to the Conversion Date, and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.



The Capital Appreciation Bonds shall be issued in Authorized Denominations and shall be dated the date of issuance thereof.

(c) Maturities and Interest Rates. Interest on the Bond Income Growth Securities accruing after the Conversion Date shall be payable on each Interest Payment Date commencing on January 1, 1997 at the rate not to exceed eight and six tenths percent (8.6%) per annum, and principal of the Bond Income Growth Securities and interest thereon from the date of issuance of the Bond Income Growth Securities to the Conversion Date shall be payable at maturity (or upon redemption prior to maturity) on July 1, 2008.

The interest rate with respect to the Bond Income Growth Securities is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Bond Income Growth Security shall be an amount equal to, as of any July 1 or January 1, the amount by which the Compound Accreted Amount for such Bond Income Growth Security exceeds the original principal amount of such Bond Income Growth Security on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Bond Income Growth Securities shall not exceed as follows:

Compound Accreted Amount for Bond Income Growth Securities

Due July 1, 2008

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,246.82
07/01/87	2,343.43
01/01/88	2,444.20
07/01/88	2,549.30
01/01/89	2,658.92
07/01/89	2,773.25
01/01/90	2,892.50
07/01/90	3,016.88
01/01/91	3,146.61
07/01/91	3,281.91
01/01/92	3,423.03
07/01/92	3,570.22
01/01/93	3,723.74
07/01/93	3,883.87
01/01/94	4,050.87
07/01/94	4,225.06
01/01/95	4,406.74
07/01/95	4,596.23
01/01/96	4,793.86
07/01/96	5,000.00
01/01/97	5,000.00
07/01/97	5,000.00
01/01/98	5,000.00
07/01/98	5,000.00
01/01/99	5,000.00
07/01/99	5,000.00
01/01/00	5,000.00
07/01/00	5,000.00
01/01/01	5,000.00
07/01/01	5,000.00
01/01/02	5,000.00
07/01/02	5,000.00
01/01/03	5,000.00
07/01/03	5,000.00
01/01/04	5,000.00
07/01/04	5,000.00
01/01/05	5,000.00
07/01/05	5,000.00
01/01/06	5,000.00
07/01/06	5,000.00
01/01/07	5,000.00
07/01/07	5,000.00
01/01/08	5,000.00
07/01/08	5,000.00

The Capital Appreciation Bonds shall mature on July 1 and January 1 in the years and in the Maturity Amounts indicated below, and shall bear interest payable at maturity or upon redemption prior to maturity at the rate or rates, not to exceed those indicated below:

Capital Appreciation Bonds

<u>Principal Payment Dates</u>	<u>Original Principal Amounts</u>	<u>Maturity Amounts</u>	<u>Interest Rate</u>
01/01/90	\$1,033,190	\$1,320,000	7.3000
07/01/90	1,000,587	1,325,000	7.3000
01/01/91	961,248	1,325,000	7.4000
07/01/91	930,441	1,330,000	7.4000
01/01/92	889,221	1,325,000	7.5000
07/01/92	857,076	1,325,000	7.5000
01/01/93	821,010	1,325,000	7.6000
07/01/93	793,930	1,330,000	7.6000
01/01/94	756,575	1,325,000	7.7000
07/01/94	728,525	1,325,000	7.7000
01/01/95	695,850	1,325,000	7.8000
07/01/95	672,262	1,330,000	7.8000
01/01/96	638,782	1,325,000	7.9000
07/01/96	614,508	1,325,000	7.9000
01/01/97	419,625	1,329,260	8.0000
07/01/97	401,360	1,324,260	8.0000
01/01/98	381,704	1,324,260	8.1000
07/01/98	368,790	1,329,260	8.1000
01/01/99	348,393	1,324,260	8.2000
07/01/99	336,443	1,329,260	8.2000
01/01/00	317,369	1,324,260	8.3000
07/01/00	306,337	1,329,260	8.3000
01/01/01	288,565	1,324,260	8.4000
07/01/01	276,932	1,324,260	8.4000
01/01/02	263,254	1,329,260	8.5000
07/01/02	251,190	1,324,260	8.5000
01/01/03	240,321	1,329,260	8.5500
07/01/03	229,257	1,324,260	8.5500
01/01/04	218,030	1,324,260	8.6000
07/01/04	210,149	1,329,260	8.6000

The interest rate with respect to the Capital Appreciation Bonds is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted provided herein. The total interest on each Capital Appreciation Bond shall be an amount equal to, as of any July 1



or January 1, the amount by which the Compound Accreted Amount for such Capital Appreciation Bond exceeds the original principal amount of such Capital Appreciation Bond on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Capital Appreciation Bonds shall not exceed as follows:

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$4,032.31
07/01/87	4,179.49
01/01/88	4,332.04
07/01/88	4,490.16
01/01/89	4,654.05
07/01/89	4,823.93
01/01/90	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,890.32
07/01/87	4,032.31
01/01/88	4,179.49
07/01/88	4,332.04
01/01/89	4,490.16
07/01/89	4,654.05
01/01/90	4,823.93
07/01/90	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,738.87
07/01/87	3,877.20
01/01/88	4,020.66
07/01/88	4,169.43
01/01/89	4,323.69
07/01/89	4,483.67
01/01/90	4,649.57
07/01/90	4,821.60
01/01/91	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,605.46
07/01/87	3,738.87
01/01/88	3,877.20
07/01/88	4,020.66
01/01/89	4,169.43
07/01/89	4,323.69
01/01/90	4,483.67
07/01/90	4,649.57
01/01/91	4,821.60
07/01/91	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,460.10
07/01/87	3,589.86
01/01/88	3,724.48
07/01/88	3,864.14
01/01/89	4,009.05
07/01/89	4,159.39
01/01/90	4,315.37
07/01/90	4,477.19
01/01/91	4,645.09
07/01/91	4,819.28
01/01/92	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,335.04
07/01/87	3,460.10
01/01/88	3,589.86
07/01/88	3,724.48
01/01/89	3,864.14
07/01/89	4,009.05
01/01/90	4,159.39
07/01/90	4,315.37
01/01/91	4,477.19
07/01/91	4,645.09
01/01/92	4,819.28
07/01/92	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,195.96
07/01/87	3,317.41
01/01/88	3,443.47
07/01/88	3,574.32
01/01/89	3,710.15
07/01/89	3,851.13
01/01/90	3,997.48
07/01/90	4,149.38
01/01/91	4,307.06
07/01/91	4,470.72
01/01/92	4,640.61
07/01/92	4,816.96
01/01/93	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$3,078.96
07/01/87	3,195.96
01/01/88	3,317.41
07/01/88	3,443.47
01/01/89	3,574.32
07/01/89	3,710.15
01/01/90	3,851.13
07/01/90	3,997.48
01/01/91	4,149.38
07/01/91	4,307.06
01/01/92	4,470.72
07/01/92	4,640.61
01/01/93	4,816.96
07/01/93	5,000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,946.31
07/01/87	3,059.75
01/01/88	3,177.55
07/01/88	3,299.88
01/01/89	3,426.93
07/01/89	3,558.86
01/01/90	3,695.88
07/01/90	3,838.17
01/01/91	3,985.94
07/01/91	4,139.40
01/01/92	4,298.77
07/01/92	4,464.27
01/01/93	4,636.14
07/01/93	4,814.64
01/01/94	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,837.09
07/01/87	2,946.31
01/01/88	3,059.75
07/01/88	3,177.55
01/01/89	3,299.88
07/01/89	3,426.93
01/01/90	3,558.86
07/01/90	3,695.88
01/01/91	3,838.17
07/01/91	3,985.94
01/01/92	4,139.40
07/01/92	4,298.77
01/01/93	4,464.27
07/01/93	4,636.14
01/01/94	4,814.64
07/01/94	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,710.95
07/01/87	2,816.68
01/01/88	2,926.53
07/01/88	3,040.66
01/01/89	3,159.25
07/01/89	3,282.46
01/01/90	3,410.47
07/01/90	3,543.48
01/01/91	3,681.68
07/01/91	3,825.26
01/01/92	3,974.45
07/01/92	4,129.45
01/01/93	4,290.50
07/01/93	4,457.83
01/01/94	4,631.68
07/01/94	4,812.32
01/01/95	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,609.19
07/01/87	2,710.95
01/01/88	2,816.68
07/01/88	2,926.53
01/01/89	3,040.66
07/01/89	3,159.25
01/01/90	3,282.46
07/01/90	3,410.47
01/01/91	3,543.48
07/01/91	3,681.68
01/01/92	3,825.26
07/01/92	3,974.45
01/01/93	4,129.45
07/01/93	4,290.50
01/01/94	4,457.83
07/01/94	4,631.68
01/01/95	4,812.32
07/01/95	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1996

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,489.60
07/01/87	2,587.94
01/01/88	2,690.16
07/01/88	2,796.42
01/01/89	2,906.88
07/01/89	3,021.70
01/01/90	3,141.06
07/01/90	3,265.13
01/01/91	3,394.10
07/01/91	3,528.17
01/01/92	3,667.53
07/01/92	3,812.40
01/01/93	3,962.99
07/01/93	4,119.53
01/01/94	4,282.25
07/01/94	4,451.40
01/01/95	4,627.23
07/01/95	4,810.00
01/01/96	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1996

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,395.00
07/01/87	2,489.60
01/01/88	2,587.94
07/01/88	2,690.16
01/01/89	2,796.42
07/01/89	2,906.88
01/01/90	3,021.70
07/01/90	3,141.06
01/01/91	3,265.13
07/01/91	3,394.10
01/01/92	3,528.17
07/01/92	3,667.53
01/01/93	3,812.40
07/01/93	3,962.99
01/01/94	4,119.53
07/01/94	4,282.25
01/01/95	4,451.40
07/01/95	4,627.23
01/01/96	4,810.00
07/01/96	5,000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,281.93
07/01/87	2,373.21
01/01/88	2,468.14
07/01/88	2,566.87
01/01/89	2,669.54
07/01/89	2,776.32
01/01/90	2,887.38
07/01/90	3,002.87
01/01/91	3,122.99
07/01/91	3,247.90
01/01/92	3,377.82
07/01/92	3,512.93
01/01/93	3,653.45
07/01/93	3,799.59
01/01/94	3,951.57
07/01/94	4,109.64
01/01/95	4,274.02
07/01/95	4,444.98
01/01/96	4,622.78
07/01/96	4,807.69
01/01/97	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,194.17
07/01/87	2,281.93
01/01/88	2,373.21
07/01/88	2,468.14
01/01/89	2,566.87
07/01/89	2,669.54
01/01/90	2,776.32
07/01/90	2,887.38
01/01/91	3,002.87
07/01/91	3,122.99
01/01/92	3,247.90
07/01/92	3,377.82
01/01/93	3,512.93
07/01/93	3,653.45
01/01/94	3,799.59
07/01/94	3,951.57
01/01/95	4,109.64
07/01/95	4,274.02
01/01/96	4,444.98
07/01/96	4,622.78
01/01/97	4,807.69
07/01/97	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,087.58
07/01/87	2,172.13
01/01/88	2,260.10
07/01/88	2,351.64
01/01/89	2,446.88
07/01/89	2,545.98
01/01/90	2,649.09
07/01/90	2,756.38
01/01/91	2,868.01
07/01/91	2,984.17
01/01/92	3,105.02
07/01/92	3,230.78
01/01/93	3,361.62
07/01/93	3,497.77
01/01/94	3,639.43
07/01/94	3,786.83
01/01/95	3,940.19
07/01/95	4,099.77
01/01/96	4,265.81
07/01/96	4,438.58
01/01/97	4,618.34
07/01/97	4,805.38
01/01/98	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$2,006.33
07/01/87	2,087.58
01/01/88	2,172.13
07/01/88	2,260.10
01/01/89	2,351.64
07/01/89	2,446.88
01/01/90	2,545.98
07/01/90	2,649.09
01/01/91	2,756.38
07/01/91	2,868.01
01/01/92	2,984.17
07/01/92	3,105.02
01/01/93	3,230.78
07/01/93	3,361.62
01/01/94	3,497.77
07/01/94	3,639.43
01/01/95	3,786.83
07/01/95	3,940.19
01/01/96	4,099.77
07/01/96	4,265.81
01/01/97	4,438.58
07/01/97	4,618.34
01/01/98	4,805.38
07/01/98	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,906.13
07/01/87	1,984.28
01/01/88	2,065.64
07/01/88	2,150.33
01/01/89	2,238.49
07/01/89	2,330.27
01/01/90	2,425.81
07/01/90	2,525.27
01/01/91	2,628.80
07/01/91	2,736.59
01/01/92	2,848.79
07/01/92	2,965.59
01/01/93	3,087.18
07/01/93	3,213.75
01/01/94	3,345.51
07/01/94	3,482.68
01/01/95	3,625.47
07/01/95	3,774.11
01/01/96	3,928.85
07/01/96	4,089.93
01/01/97	4,257.62
07/01/97	4,432.18
01/01/98	4,613.90
07/01/98	4,803.07
01/01/99	5,000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,831.06
07/01/87	1,906.13
01/01/88	1,984.28
07/01/88	2,065.64
01/01/89	2,150.33
07/01/89	2,238.49
01/01/90	2,330.27
07/01/90	2,425.81
01/01/91	2,525.27
07/01/91	2,628.80
01/01/92	2,736.59
07/01/92	2,848.79
01/01/93	2,965.59
07/01/93	3,087.18
01/01/94	3,213.75
07/01/94	3,345.51
01/01/95	3,482.68
07/01/95	3,625.47
01/01/96	3,774.11
07/01/96	3,928.85
01/01/97	4,089.93
07/01/97	4,257.62
01/01/98	4,432.18
07/01/98	4,613.90
01/01/99	4,803.07
07/01/99	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,737.12
07/01/87	1,809.21
01/01/88	1,884.29
07/01/88	1,962.49
01/01/89	2,043.93
07/01/89	2,128.75
01/01/90	2,217.10
07/01/90	2,309.11
01/01/91	2,404.93
07/01/91	2,504.74
01/01/92	2,608.68
07/01/92	2,716.95
01/01/93	2,829.70
07/01/93	2,947.13
01/01/94	3,069.44
07/01/94	3,196.82
01/01/95	3,329.49
07/01/95	3,467.66
01/01/96	3,611.57
07/01/96	3,761.45
01/01/97	3,917.55
07/01/97	4,080.13
01/01/98	4,249.45
07/01/98	4,425.80
01/01/99	4,609.47
07/01/99	4,800.77
01/01/00	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,667.90
07/01/87	1,737.12
01/01/88	1,809.21
07/01/88	1,884.29
01/01/89	1,962.49
07/01/89	2,043.93
01/01/90	2,128.75
07/01/90	2,217.10
01/01/91	2,309.11
07/01/91	2,404.93
01/01/92	2,504.74
07/01/92	2,608.68
01/01/93	2,716.95
07/01/93	2,829.70
01/01/94	2,947.13
07/01/94	3,069.44
01/01/95	3,196.82
07/01/95	3,329.49
01/01/96	3,467.66
07/01/96	3,611.57
01/01/97	3,761.45
07/01/97	3,917.55
01/01/98	4,080.13
07/01/98	4,249.45
01/01/99	4,425.80
07/01/99	4,609.47
01/01/00	4,800.77
07/01/00	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2001

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,580.06
07/01/88	1,646.42
01/01/88	1,715.57
07/01/89	1,787.63
01/01/89	1,862.71
07/01/90	1,940.94
01/01/90	2,022.46
07/01/91	2,107.40
01/01/91	2,195.92
07/01/92	2,288.14
01/01/92	2,384.25
07/01/93	2,484.38
01/01/93	2,588.73
07/01/94	2,697.46
01/01/94	2,810.75
07/01/95	2,928.80
01/01/95	3,051.81
07/01/96	3,179.99
01/01/96	3,313.54
07/01/97	3,452.71
01/01/97	3,597.73
07/01/98	3,748.83
01/01/98	3,906.28
07/01/99	4,070.35
01/01/99	4,241.30
07/01/00	4,419.44
01/01/00	4,605.05
07/01/01	4,798.46
01/01/01	5,000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2001

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,516.37
07/01/87	1,580.06
01/01/88	1,646.42
07/01/88	1,715.57
01/01/89	1,787.63
07/01/89	1,862.71
01/01/90	1,940.94
07/01/90	2,022.46
01/01/91	2,107.40
07/01/91	2,195.92
01/01/92	2,288.14
07/01/92	2,384.25
01/01/93	2,484.38
07/01/93	2,588.73
01/01/94	2,697.46
07/01/94	2,810.75
01/01/95	2,928.80
07/01/95	3,051.81
01/01/96	3,179.99
07/01/96	3,313.54
01/01/97	3,452.71
07/01/97	3,597.73
01/01/98	3,748.83
07/01/98	3,906.28
01/01/99	4,070.35
07/01/99	4,241.30
01/01/00	4,419.44
07/01/00	4,605.05
01/01/01	4,798.46
07/01/01	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2002

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,434.46
07/01/87	1,495.42
01/01/88	1,558.98
07/01/88	1,625.24
01/01/89	1,694.31
07/01/89	1,766.32
01/01/90	1,841.38
07/01/90	1,919.64
01/01/91	2,001.23
07/01/91	2,086.28
01/01/92	2,174.95
07/01/92	2,267.38
01/01/93	2,363.75
07/01/93	2,464.21
01/01/94	2,568.93
07/01/94	2,678.11
01/01/95	2,791.93
07/01/95	2,910.59
01/01/96	3,034.29
07/01/96	3,163.25
01/01/97	3,297.69
07/01/97	3,437.84
01/01/98	3,583.95
07/01/98	3,736.26
01/01/99	3,895.06
07/01/99	4,060.60
01/01/00	4,233.17
07/01/00	4,413.08
01/01/01	4,600.64
07/01/01	4,796.16
01/01/02	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2002

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,375.98
07/01/87	1,434.46
01/01/88	1,495.42
07/01/88	1,558.98
01/01/89	1,625.24
07/01/89	1,694.31
01/01/90	1,766.32
07/01/90	1,841.38
01/01/91	1,919.64
07/01/91	2,001.23
01/01/92	2,086.28
07/01/92	2,174.95
01/01/93	2,267.38
07/01/93	2,363.75
01/01/94	2,464.21
07/01/94	2,568.93
01/01/95	2,678.11
07/01/95	2,791.93
01/01/96	2,910.59
07/01/96	3,034.29
01/01/97	3,163.25
07/01/97	3,297.69
01/01/98	3,437.84
07/01/98	3,583.95
01/01/99	3,736.26
07/01/99	3,895.06
01/01/00	4,060.60
07/01/00	4,233.17
01/01/01	4,413.08
07/01/01	4,600.64
01/01/02	4,796.16
07/01/02	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2003

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,309.80
07/01/87	1,365.79
01/01/88	1,424.18
07/01/88	1,485.06
01/01/89	1,548.55
07/01/89	1,614.75
01/01/90	1,683.78
07/01/90	1,755.76
01/01/91	1,830.82
07/01/91	1,909.09
01/01/92	1,990.70
07/01/92	2,075.80
01/01/93	2,164.54
07/01/93	2,257.08
01/01/94	2,353.57
07/01/94	2,454.18
01/01/95	2,559.10
07/01/95	2,668.50
01/01/96	2,782.58
07/01/96	2,901.53
01/01/97	3,025.57
07/01/97	3,154.92
01/01/98	3,289.79
07/01/98	3,430.43
01/01/99	3,577.08
07/01/99	3,730.00
01/01/00	3,889.46
07/01/00	4,055.73
01/01/01	4,229.11
07/01/01	4,409.91
01/01/02	4,598.43
07/01/02	4,795.01
01/01/03	5,000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2003

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,256.10
07/01/87	1,309.80
01/01/88	1,365.79
07/01/88	1,424.18
01/01/89	1,485.06
07/01/89	1,548.55
01/01/90	1,614.75
07/01/90	1,683.78
01/01/91	1,755.76
07/01/91	1,830.82
01/01/92	1,909.09
07/01/92	1,900.70
01/01/93	2,075.80
07/01/93	2,164.54
01/01/94	2,257.08
07/01/94	2,353.57
01/01/95	2,454.18
07/01/95	2,559.10
01/01/96	2,668.50
07/01/96	2,782.58
01/01/97	2,901.53
07/01/97	3,025.57
01/01/98	3,154.92
07/01/98	3,289.79
01/01/99	3,430.43
07/01/99	3,577.08
01/01/00	3,730.00
07/01/00	3,889.46
01/01/01	4,055.73
07/01/01	4,229.11
01/01/02	4,409.91
07/01/02	4,598.43
01/01/03	4,795.01
07/01/03	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2004

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,194.82
07/01/87	1,246.20
01/01/88	1,299.79
07/01/88	1,355.68
01/01/89	1,413.97
07/01/89	1,474.77
01/01/90	1,538.19
07/01/90	1,604.33
01/01/91	1,673.32
07/01/91	1,745.27
01/01/92	1,820.32
07/01/92	1,898.59
01/01/93	1,980.23
07/01/93	2,065.38
01/01/94	2,154.19
07/01/94	2,246.82
01/01/95	2,343.43
07/01/95	2,444.20
01/01/96	2,549.30
07/01/96	2,658.92
01/01/97	2,773.25
07/01/97	2,892.50
01/01/98	3,016.88
07/01/98	3,146.61
01/01/99	3,281.91
07/01/99	3,423.03
01/01/00	3,570.22
07/01/00	3,723.74
01/01/01	3,883.87
07/01/01	4,050.87
01/01/02	4,225.06
07/01/02	4,406.74
01/01/03	4,596.23
07/01/03	4,793.86
01/01/04	5,000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2004

<u>Date</u>	<u>Amount per \$5,000</u>
01/01/87	\$1,145.56
07/01/87	1,194.82
01/01/88	1,246.20
07/01/88	1,299.79
01/01/89	1,355.68
07/01/89	1,413.97
01/01/90	1,474.77
07/01/90	1,538.19
01/01/91	1,604.33
07/01/91	1,673.32
01/01/92	1,745.27
07/01/92	1,820.32
01/01/93	1,898.59
07/01/93	1,980.23
01/01/94	2,065.38
07/01/94	2,154.19
01/01/95	2,246.82
07/01/95	2,343.43
01/01/96	2,444.20
07/01/96	2,549.30
01/01/97	2,658.92
07/01/97	2,773.25
01/01/98	2,892.50
07/01/98	3,016.88
01/01/99	3,146.61
07/01/99	3,281.91
01/01/00	3,423.03
07/01/00	3,570.22
01/01/01	3,723.74
07/01/01	3,883.87
01/01/02	4,050.87
07/01/02	4,225.06
01/01/03	4,406.74
07/01/03	4,596.23
01/01/04	4,793.86
07/01/04	5,000.00

Section 4. Principal of and interest and any premium due on the Refunding Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. The principal of and any premium of any Refunding Bond, interest on any Bond Income Growth Security from the date of issuance to the Conversion Date, and interest on any Capital Appreciation Bond, shall be payable when due to the person in whose name a Refunding Bond is registered (the "Holder") on the books (the "Register"), kept and maintained by the Registrar for registration and transfer of the Refunding

Bonds at the principal offices of the Paying Agent and interest on the Bond Income Growth Securities after the Conversion Date shall be paid on each Interest Payment Date by check or draft which the Paying Agent shall cause to be mailed on that date to the Holder of the Refunding Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Refunding Bond (the "Regular Record Date") at the Holder's address as it appears on the Register. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Bond Income Growth Securities after the Conversion Date, on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Refunding Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Refunding Bond, every previous Refunding Bond evidencing all or a portion for the same debt as that evidenced by the particular



Refunding Bond. The Refunding Bonds shall mature on January 1 and July 1, in the years and in amounts not to exceed the amounts as set forth in Section 3 thereof.

In the event that Bond Investors Guaranty shall make any payments of principal of, and/or interest on, any of the Refunding Bonds pursuant to the terms of the Municipal Bond Insurance Policy, Bond Investors Guaranty may pay all or a portion of amounts due under the Refunding Bonds to the Holders prior to the state maturity dates thereof.

This Common Council hereby authorize and direct the Mayor and the Controller of the City of Fort Wayne, Indiana to select an institution or institutions to serve as paying agent under this Bond Ordinance for the Refunding Bonds, as Registrar for the Refunding Bonds for the purpose of keeping and maintaining the Register for the registration, exchange and transfer of the Refunding Bonds pursuant to this Bond Ordinance and as authenticating agent for the Refunding Bonds. Every successor Registrar appointed pursuant to the provisions of the Bond Registrar Agreement described in Section 20 hereof shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Indiana duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000. Bond Investors Guaranty shall be notified immediately upon the resignation or termination of the Registrar and the appointment of a successor Registrar.

Section 5. The Refunding Bonds shall be subject to redemption prior to stated maturity as follows:

Mandatory Sinking Fund Redemption of Bond Income Growth Securities. The Bond Income Growth Securities maturing on July 1, 2008 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the then applicable Compound Accreted Value of such Bond Income Growth Securities, plus accrued interest to the redemption date, on July 1 and January 1, on the dates and in the estimated principal amounts not to exceed those indicated below:

<u>Redemption Date</u>	<u>Compound Accreted Amount</u>
01/01/05	945,000
07/01/05	990,000
01/01/06	1,030,000
07/01/06	1,075,000
01/01/07	1,120,000
07/01/07	1,170,000
01/01/08	1,220,000
07/01/08	1,270,000

The aggregate of the revenues of the waterworks specified in Section 13 hereof, which is to be deposited in the Bond and Interest Redemption Account, as hereinafter defined, shall include amounts sufficient to redeem the Compound Accreted Amount of Bond Income Growth Securities set forth opposite each of the dates set forth above (less the amount of any credit is provided below).

The City shall have the option to deliver to the Registrar for cancellation Bond Income Growth Securities in any aggregate Compound Accreted Amount

and to receive a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the City for the Bond Income Growth Securities. That option shall be exercised by the City on or before the 45th day preceding the applicable mandatory redemption date, by furnishing the Registrar a certificate, executed by an authorized official of the City or any member of this Common Council, as the case may be, setting forth the extent of the credit to be applied with respect to the then current mandatory sinking fund requirement. If the certificate is not timely furnished to the Registrar, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced. Unless the City has otherwise directed, a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) also shall be received by the City for any Bond Income Growth Security which prior thereto has been redeemed (other than through the operation of the mandatory sinking fund requirements) or purchase for cancellation and cancelled by the Registrar, to the extent not applied theretofore as a credit against any redemption obligation.

Each Bond Income Growth Security so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Registrar at 100% of the compound accreted amount thereof against the then current mandatory sinking fund obligation. Any excess of that

amount over the then current mandatory sinking fund requirement shall be credited against subsequent sinking fund redemption obligations in the order directed by the City.

The notice of the call for redemption of Refunding Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Refunding Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Refunding Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Refunding Bond shall affect the validity of the proceedings for the redemption of any Refunding Bond.

Notice having been mailed in the manner heretofore provided, the Refunding Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Refunding Bonds and portions thereof to be redeemed, together with interest



thereon to the redemption date, are held by the Paying Agent on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Refunding Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Refunding Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited with and held by the Paying Agent for the redemption of particular Refunding Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Refunding Bonds.

Section 6. The Refunding Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Refunding Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Refunding Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the

Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Refunding Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon Net Earnings derived from the waterworks of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired which Net Earnings are to be deposited in a special fund to be known as the "Bond and Interest Redemption Account". The City shall not be obligated to pay the Refunding Bonds or the interest thereon except from said special fund, and the Refunding Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the Constitution or statutes of the State of Indiana.

Section 7. The form and tenor of the Refunding Bonds shall be substantially as provided in Exhibits A and B hereto, all blanks to be filled in properly prior to delivery thereof.

Section 8. So long as any of the Refunding Bonds remain outstanding, the City will cause books for the registration and transfer of Refunding Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Refunding Bonds may be exchanged, at the option of their Holder, for Refunding Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the

unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Refunding Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

Any Refunding Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Refunding Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in the name of the transferee, of any Authorized Denomination or Demonimations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds presented and surrendered for transfer.

In all cases in which Refunding Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Refunding Bonds in accordance with the provisions hereof. The exchange or transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Refunding Bonds which is sufficient in

amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Refunding Bond is delivered.

All Refunding Bonds issued upon any transfer or exchange of Refunding Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Refunding Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of refunding bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Refunding Bonds selected for redemption, in whole or in part.

In case any Refunding Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Refunding Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bond redeemed in part.

If any Refunding Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Refunding Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and



deliver, a new Refunding Bond of like date, maturity and denomination as the Refunding Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Refunding Bond, the mutilated Refunding Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Refunding Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.

If any lost, wrongfully taken or destroyed Refunding Bond shall have matured, instead of issuing a new Refunding Bond, the City may direct the Registrar to pay that Refunding Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Refunding Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Refunding Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Refunding Bond issued pursuant to this Section by reason of any Refunding Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Refunding Bond lost, mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Refunding Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Refunding Bonds



issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Refunding Bond or payment of a Refunding Bond without surrender.

All Refunding Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Refunding Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Refunding Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Refunding Bond cancelled by the Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Refunding Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Refunding Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City of the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Refunding Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Refunding Bonds shall be provided by the Registrar to the City upon written request.

So long as the Municipal Bond Insurance Policy shall be in full force and effect, the City and the Registrar hereby agree to comply with the following provisions:

(a) if, on the third business day prior to an Interest Payment Date the Registrar, after consulting with the Paying Agent, determines that there will be insufficient funds in the funds and accounts available to pay the principal of or interest on the Refunding Bonds on such Interest Payment Date, the Registrar shall so notify Bond Investors Guaranty. Such notice shall specify the amount of the anticipated deficiency, the Refunding Bonds to which such deficiency will be applicable and whether payment due on such Refunding Bonds will be deficient as to either principal or interest, or both;

(b) the Registrar shall, after giving notice to Bond Investors Guaranty as provided in (a) above, make available to Bond Investors Guaranty and Bankers Trust Company as insurance trustee for Bond Investors Guaranty (the "Insurance Trustee"), the registration books of the City maintained by the Registrar, and all records relating to the funds and accounts established under this Bond Ordinance;

(c) the Registrar shall provide Bond Investors Guaranty and the Insurance Trustee with a list of registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Refunding Bonds entitled to receive full or partial interest payments from Bond Investors Guaranty, and (ii) to pay principal due on the Refunding Bonds once such Refunding Bonds are surrendered to the Insurance Trustee by the registered owners of Refunding Bonds entitled to receive full or partial principal payments from Bond Investors Guaranty;

(d) the Registrar shall, at the time it provides notice to Bond Investors Guaranty pursuant to (a) above, notify registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty (i) as to the fact of such entitlement, (ii) that Bond Investors Guaranty will remit all or a portion of the interest payments next coming due, (iii) that if entitled to receive full payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds (along with a form of transfer of title thereto) for payment to the Insurance Trustee and not to the Paying Agent, and (iv) that if entitled to receive partial payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds for payment thereof first to the Registrar, who shall note on such Refunding Bonds the portion of the principal paid by the Paying Agent, and thereafter, along with a form of transfer of title thereto, to Bond Investors Guaranty, which will then pay the unpaid portion of principal; and

(e) Bond Investors Guaranty shall, to the extent it makes payment of principal of or interest on the Refunding Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms and conditions of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon receipt of proof from Bond Investors Guaranty as to payment of interest thereon to the registered owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon surrender by the registered owners of the Refunding Bonds, together with proof of the payment of principal thereof, to Bond Investors Guaranty.

In the event any Refunding Bond shall not be presented for payment when the principal of or premium or interest (with respect to Capital Appreciation Bonds and Bond Income Growth Securities) thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest (with respect to any Bond Income Growth Security) on any Refunding Bond is uncashed, if moneys sufficient to pay the principal or interest then due of that Refunding Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal or interest then due of the Refunding Bond or of the interest represented by such check or draft shall cease and be completely discharged.



Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Refunding Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal or interest then due of that Refunding Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Refunding Bond not presented for payment or a check or draft not cashed for a period of six years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Refunding Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.

Section 9. The City Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Refunding Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Refunding Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchase has agreed to pay therefor, which shall be not less than ninety-six percent (96%) of the aggregate original principal amount (the "Purchase Price").



The Refunding Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable solely out of the Net Earnings of the City's waterworks to be set aside into the Bond and Interest Redemption Account as herein provided, and the proceeds derived from the sale of the refunding Bonds and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 10. The Refunding Bonds are hereby sold and awarded to Cranston Securities Company (the "Original Purchaser") for purchase at the Purchase Price in accordance with the terms of this Bond Ordinance.

The Mayor and City Controller, and either of them, are directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Refunding Bonds to the Original Purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Refunding Bonds under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Refunding Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Water Act and the Refunding Act.

The Outstanding Bonds shall be retired on their stated

maturity dates from payments received from cash and/or direct obligations of the United States (collectively, the "Securities") on deposit in the Escrow Fund held by the Escrow Trustee and in accordance with the Escrow Agreement (the "Escrow Agreement"), dated as of August 1, 1986, between the City and the Escrow Trustee. The Common Council hereby authorize and direct the Mayor and Controller of the City of Fort Wayne, Indiana to select the institution to serve as escrow trustee under the Escrow Agreement. The Escrow Trustee is authorized and directed on behalf of the City to subscribe for such Securities to the extent such Securities are to be those United States Treasury Obligations, State and Local Government Series provided for in 31 C.F.R. Part 344. The Securities are to be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to (i) pay the interest on the Outstanding Bonds which is due and payable on each July 1 and January 1 through and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due. There is hereby created and established with the Escrow Trustee and ordered maintained in a separate deposit account (except when invested as provided in the Escrow Agreement), the trust fund to be designated "The City of Fort Wayne, Indiana - Waterworks Revenue Bond Escrow Fund," which shall hereinafter be referred to as the "Escrow Fund" and which shall be in the custody of the Escrow trustee and the Securities and any other moneys in the Escrow Fund shall be held in trust for and shall be used solely for the payment of the principal of and interest on the Outstanding Bonds as provided in the Escrow Agreement.

The Escrow Fund shall be considered to be a segregated part of the Bond and Interest Redemption Account for the purposes of the ordinances authorizing the Outstanding Bonds.

Section 11. The accrued interest and premium received at the time of the delivery of the Refunding Bonds, if any, shall be deposited in the Bond and Interest Redemption Account (the "Bond and Interest Redemption Account") created hereby. The amount which is presently held in the Bond and Interest Redemption Account described in Section 12 hereof as a debt service reserve for the Outstanding Bonds (presently estimated to be \$2,300,000) shall be released and shall be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of refunding the Outstanding Bonds under the Water Act and the Refunding Act, in a separate account (the "Waterworks Reserve Account") in the Bond and Interest Redemption Account, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate Net Earnings therein as a margin of safety. Said financial advisor has also advised the City that such reserve is reasonably required in order to secure the Municipal Bond Insurance Policy and enhance the marketability of the Refunding Bonds and that, without this reserve, the Refunding Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the refunding. To the extent that the amount in the Waterworks Reserve Account exceeds the Waterworks Reserve Requirement, such excess may be transferred to the Waterworks Tax Account or, if the Waterworks Tax Account is funded in accordance with the requirements of Section 13 hereof, to the Special Utility Account. Bond proceeds in an amount equal to that required to purchase the Securities in the amount required

by the provisions of Section 10 of this Bond Ordinance, which amount shall be used to refund the Outstanding Bonds, shall be deposited in the Escrow Fund maintained by the Escrow Trustee. The remaining proceeds from the sale of the Refunding Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Waterworks Refunding Expense Fund" (the "Waterworks Refunding Expense Fund"). All funds deposited to the credit of said Bond and Interest Redemption Account or Waterworks Refunding Expense Fund shall be deposited, held, secured or invested in Eligible Investments and in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds; provided that any investment of monies in the Bond and Interest Redemption Account (other than the Waterworks Reserve Account) shall mature on or before the time the monies will be required to pay any debt service; provided, further, that all amounts representing accrued and capitalized interest shall be held by the City, pledged solely to the payment of interest and invested only in Government Obligations. In computing the amount in any fund or account, investments shall be valued at the market value of such obligations, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur semi-annually and immediately upon a withdrawal from the Waterworks Reserve Account. If amounts on deposit in the Waterworks Reserve Account shall, at any time, be less than the applicable requirement set forth in Section 12 hereof, such deficiency shall be made up over a twelve (12) month period. The depository or depositories for said Bond and Interest Redemption Account and Waterworks Refunding Expense Fund shall be a bank which shall be a member of the Federal Reserve System



and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of refunding the Outstanding Bonds or for the expenses of issuance of the Refunding Bonds. The cost of obtaining the opinions of Bingham Summers Welsh & Spilman and Squire, Sanders & Dempsey shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of the revenues of the waterworks.

The Common Council authorizes the insurance of the Refunding Bonds with a municipal bond insurance company, including Bond Investors Guaranty, if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of refunding the Outstanding Bonds. The cost of obtaining said insurance shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of other funds of the waterworks.

The City covenants that it will not invest the proceeds of the Refunding Bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, make any investment of moneys in the Bond and Interest Redemption Account in any manner, or take or fail to take any other action, which would result in the Refunding Bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue rulings promulgated thereunder, or as determined by any court of competent jurisdiction. The City Controller of the City or any other officer having responsibility for issuing the



Refunding Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Refunding Bonds. The City Clerk of the City shall furnish to the Original Purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Refunding Bonds along with such other information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Refunding Bonds.

Any balance or balances remaining unexpended in the Waterworks Refunding Expense Fund after the payment of all issuance expenses for the Refunding Bonds, which are not required to meet unpaid obligations incurred in connection with such issuance, shall be paid into the Bond and Interest Redemption Account and shall be used solely for the purpose of said fund.

Section 12. The special fund designated "Bond and Interest Redemption Account" is hereby established and designated as the special fund for the payment of the interest on and principal of the Refunding Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Refunding Bonds and interest thereon. The Bond and Interest Redemption Account shall be continued until all of the bonds issued under this Bond Ordinance have been paid. There shall be set aside and paid into the Bond and Interest

Redemption Account three business days prior to the first day of each calendar month, as available, or more often if necessary, a sufficient amount of the Net Earnings of said waterworks for the payment of (a) the interest on all bonds which by their terms are payable from the Net Earnings of the waterworks, as such interest shall fall due; (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the Net Earnings of the waterworks as they fall due; (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Bond and Interest Redemption Account and (e) any amounts necessary to maintain a balance in the Waterworks Reserve Account equal to the Waterworks Reserve Requirement. The monthly payments into the Bond and Interest Redemption Account shall be in an amount equal to at least the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Bond and Interest Redemption Account shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof.

In no event shall any part of the Bond and Interest Redemption Account be used in purchasing bonds, except to the extent that the amount then in the Bond and Interest Redemption Account (other than the Waterworks Reserve Account) exceeds the amount required to pay the principal of the bonds payable

therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Bond and Interest Redemption Account shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Bond and Interest Redemption Account the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Bond and Interest Redemption Account from the first available Net Earnings and the same shall be in addition to the minimum amounts otherwise therein provided to be so set apart and paid.

Withdrawals shall be made from the Bond and Interest Redemption Account and remitted to the places of payment of the interest and principal to meet such payments when due.

The Bond and Interest Redemption Account, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest of the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Bond and Interest Redemption Account.

Section 13. In the event that all required payments into the Bond and Interest Redemption Account have been met to date

and there has been accumulated as a reserve in the Waterworks Reserve Account within said Bond and Interest Redemption Account, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated an amount in a separate fund, the "Waterworks Tax Account" which is hereby created and established, sufficient for payment of assessed taxes, or payments in lieu of taxes for the works, for the then next succeeding twelve (12) calendar months (and for payment of the interest on and principal of any general obligation bonds, and the creation of reserves for them, should any such bonds be hereafter issued under the Water Act), then any remaining Net Earnings of the works available may be placed in the Special Utility Account. Moneys in the Special Utility Account may be used to pay the costs of the extension, replacement in whole or in part, repair, and operation and maintenance of the works. No Net Earnings of the works shall be deposited in or credited to the Special Utility Account which will interfere with the requirements of the Bond and Interest Redemption Account, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the Waterworks Tax Account (or the above mentioned payments on behalf of any general obligation bonds which may be hereafter issued). All or any portion of the funds accumulated and reserved for extension, replacement in whole or in part, repair and operation and maintenance for the then next succeeding twelve (12) calendar months in the Special Utility Account shall be transferred to the Bond and Interest Redemption Account if necessary to prevent a default in the payment of principal of or interest on the bonds payable from the Bond and Interest Redemption Account.



Section 14. All earnings received on account of the waterworks shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation and maintenance of the works shall be paid, and from the remaining Net Earnings the requirements of the Bond and Interest Redemption Account, the Waterworks Tax Account, and the Special Utility Account shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing (i) all earnings collected from said works and deposited in said fund, (ii) all disbursements made therefrom on account of the operation and maintenance of the works, and to meet the requirements of the Bond and Interest Redemption Account, (iii) all other financial transactions relating to said works, including the amounts set aside or credited to the Bond and Interest Redemption Account, the Waterworks Tax Account and the Special Utility Account, and (iv) the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the Original Purchaser of the Refunding Bonds, and to any Holder of the Refunding Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Refunding Bonds then outstanding shall have the right at



all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City shall, to the fullest extent permitted by law, establish, maintain and collect reasonable and just rates and charges for the services and facilities afforded by said waterworks which will provide earnings at least sufficient to pay the reasonable and proper cost of the maintenance and operation of the waterworks, to pay the principal of and interest on all bonds payable from the Net Earnings of the waterworks as the same become due and provide a surplus or margin of ten percent (10%) of the principal and interest due each year, which shall be cumulative and to provide a proper and reasonable Waterworks Tax Account and Special Utility Account. So long as any of the bonds herein authorized are outstanding, none of the facilities and services afforded by said waterworks shall be furnished without a reasonable and just charge being made therefor. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged to against the City and shall be paid for as the charges accrue, and the earnings so received shall be deemed to be earnings derived from the operation of the waterworks and shall be used and accounted for in the same manner as other earnings derived from the operation of the waterworks.

Section 16. Refunding Bonds shall be deemed to have been paid and discharged and shall no longer be deemed outstanding

or entitled to the pledge of the Net Earnings of the City's waterworks if:

(1) There shall be held in trust for and irrevocably committed therein, sufficient moneys, or

(2) There shall be held in trust for and irrevocably committed thereto, noncallable direct obligations of the United States of America certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which are likewise to be held in trust and committed, except as hereinafter provided), together with moneys referred to in clause (1),

for the payment, at the maturity date of those Refunding Bonds, of the principal thereof, together with the interest thereon accrued to the date of maturity, or if default in that payment shall have occurred on that date then to the date of the tender of that payment.

Any moneys held in accordance with the provisions of this Section shall be invested, upon written direction fo the City, only in noncallable direct obligations of the United States of America, the maturities or redemption dates of which, at the

option of the holder, shall, to the extent necessary to comply with clause (2) above, coincide as nearly as practicable with, but not later than, the time or times at which those moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent certified from time to time by an independent public accounting firm of national reputation to be in excess of the amount required to be held by it for the purposes of this Section, be transferred at the time of that determination to the City free of any trust or lien.

In the event that the principal of and/or interest on the Refunding Bonds shall be paid by Bond Inventors Guaranty pursuant to the terms of the Municipal Bond Insurance Policy, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the Holders shall continue to exist and Bond Investors Guaranty shall be subrogated to the rights of such Holders.

If the Refunding Bonds shall be deemed paid and discharged pursuant to this Section, then within 15 days after such Refunding Bonds are so deemed paid and discharged the City shall cause a written notice to be given to each Holder as shown on the register on the date on which such Refunding Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to clause (2) of the first paragraph of this Section.

Section 17. Except as provided below, the City covenants that it will not issue any more bonds or notes on a parity with the Outstanding Bonds and that it will not issue any variable rate bonds or notes on a parity with the Refunding Bonds. The

City reserves the right, however, to authorize and issue additional bonds or notes, payable out of the Net Earnings of its waterworks, ranking on a parity with the Refunding Bonds authorized by the Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, subject to the following conditions:

(a) The interest on and principal of all bonds or notes payable from the Net Earnings of the waterworks shall have been paid to date in accordance with the terms thereof, and all required payments into the Bond and Interest Redemption Account have been made in accordance with the provisions of this Ordinance.

(b) (i) The amount of Net Earnings of the waterworks deposited in the Bond and Interest Redemption Account in the calendar year immediately preceding the issuance of any such additional parity bonds shall not be less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds or notes and the additional parity bonds or notes proposed to be issued; or

(ii) Prior to the issuance of said parity bonds or notes, the water rates and charges shall be increased sufficiently so that said increased water rates and charges applied to the previous calendar year's operations would have produced Net Earnings

in an amount not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds or notes and the additional parity bonds or notes proposed to be issued.

For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

(c) To the extent required by law, the issuance of the proposed additional parity bonds or notes and any necessary increase in water rates and charges shall have been approved by the Public Service Commission of Indiana, and said Commission shall have certified that the Net Earnings of the waterworks, after providing for operation and maintenance and depreciation, will be sufficient to pay the principal and interest of all bonds or notes payable from the Net Earnings of the waterworks, including the additional parity bonds or notes proposed to be issued.

(d) The principal of and interest on said bonds or notes shall be payable semi-annually on January 1 and July 1 in the years in which said principal and interest is payable.



Section 18. For the purpose of further safeguarding the interests of the Holders of the Refunding Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereafter to be let by the City in connection with the construction of any additions and improvements to the waterworks shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any extensions or additions shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its waterworks in good condition and

operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Refunding Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as gross revenues of the works.

(e) So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the Net

Earnings of said waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Refunding Bonds herein authorized, unless all of the Refunding Bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Refunding Bonds herein authorized, all of the terms of which shall be enforceable in law or in equity, and after the issuance of the Refunding Bonds this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution which in any way adversely affecting the rights of such Holders so long as any of the Refunding Bonds or the interest thereon remain unpaid. The Holders of the Refunding Bonds shall have all of the rights, remedies and privileges, either expressly set forth in the provisions of I.C. 8-1.5-2 and I.C. 5-1-5 and all acts amendatory thereof and supplemental thereto, or implied therein, including the right to compel the collection of sufficient rates and

charges to provide for the payment of the Refunding Bonds issued hereunder and the interest thereon. Provided, however, none of the provisions of this Bond Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of said Refunding Bonds and the Net Earnings derived from the operation of said waterworks system and said Refunding Bonds shall not in any respect constitute general obligations of the City in its corporate capacity.

(h) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized, for the uses and purposes herein set forth, and so long as any of said Refunding Bonds are outstanding the provisions of this Bond Ordinance shall also be construed to create a trust in the Net Earnings of the waterworks herein directed to be set apart and paid into the Bond and Interest Redemption Account for the uses and purposes of said account as in this Ordinance set forth. Bond Investors Guaranty shall, for purposes of exercising any of the rights or powers referred to in this Section 18(h), be treated as the Holders of all the Refunding Bonds so long as Bond Investors Guaranty has not wrongfully failed to pay under the Municipal Bond Insurance

Policy and shall have the exclusive right to act pursuant to such rights or powers with respect to the Refunding Bonds.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds issued pursuant to this Bond Ordinance and then outstanding and Bond Investors Guaranty shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, other than Section 18(h), to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Amount shall be used as the aggregate principal amount for purposes of this sentence; and provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Refunding Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the Net Earnings of the waterworks ranking prior to the pledge thereof created by this Bond Ordinance; or



(d) A preference or priority of any Refunding Bond or Bonds issued pursuant to this Bond Ordinance over any other Refunding Bond or bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance.

The Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance and Bond Investors Guaranty shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Value shall be used as the aggregate principal amount for purpose of this sentence. No Holder of any Refunding Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Refunding Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined, exercised and enforced in accordance with this Bond Ordinance, subject to all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Bond

Ordinance, the rights and obligations of the City and of the Holders of the Refunding Bonds authorized by this Bond Ordinance, and the terms and provisions of the Refunding Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Refunding Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, an Escrow Agreement, a Bond Registrar Agreement, dated as of August 1, 1986, between the City and the Registrar and a Bond Purchase Agreement between the City and Cranston Securities, Inc., each containing such terms and provisions as such officers shall approve and as shall be necessary and appropriate to carry out the issuance authorized herein.

An Official Statement of the City relating to the original issuance of the Refunding Bonds and the use and distribution of a Preliminary Official Statement is hereby approved and authorized and the Mayor, and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, such Official Statement, with such terms and provisions as are necessary or desirable for the purposes thereof as those officers shall approve. Those officers are authorized to use and distribute, or to authorize the use and distribution of, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Refunding Bonds, and are each authorized and directed to advise the Original Purchaser in writing regarding limitations

on the use of the Official Statement and any supplements thereto for the purposes of marketing or reoffering the Refunding Bonds as the officer acting deems necessary or appropriate to protect the interest of the City. The Mayor and the City Controller are each authorized to execute and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the Official Statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 21. The City and the Registrar shall notify Bond Investors Guaranty within five (5) days after each of them has received notice or has knowledge of (i) an event of default under this Bond Ordinance; (ii) the withdrawal of amounts on deposit in the Waterworks Reserve Account; or (iii) the failure to make any required deposit to the Bond and Interest Redemption Account to pay principal or interest when due.

Any notice that is requested to be given to Holders or the Registrar pursuant to this Bond Ordinance or any supplemental ordinance shall also be provided to Bond Investors Guaranty. All notices required to be given to Bond Investors Guaranty under this Bond Ordinance shall be in writing and shall be sent by registered or certified mail addressed to Bond Investors Guaranty, 70 Pine Street, 53rd Floor, New York, New York 10270, Attention: General Counsel.

Section 23. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, until such time as funds are

deposited with the Escrow Trustee pursuant to Section 11 hereof resulting in a defeasance of the Outstanding Bonds.

Section 24. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

\_\_\_\_\_  
Councilman

Approved as to form and legality this \_\_\_\_ day of \_\_\_\_\_, 1986.

\_\_\_\_\_  
\_\_\_\_\_

EXHIBIT A

[FORM OF BOND INCOME GROWTH SECURITY]

[FORM OF FACE OF BOND INCOME GROWTH SECURITY]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

CITY OF FORT WAYNE  
WATERWORKS REVENUE REFUNDING BOND

Maturity Date:      Dated as of:      Interest Rate:      CUSIP:

\_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount Per \$5,000 Conversion Amount \_\_\_\_\_  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special fund hereinafter referred to, the aforesaid Conversion Amount on the aforesaid Maturity Date, or the applicable Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") upon redemption or payment hereof prior to July 1, 1996 (the "Conversion Date"), and to pay interest on the Conversion Amount from the Conversion Date to maturity or earlier redemption from that special fund at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, payable on the first days of January and July in each year commencing January 1, 1997 or, if any such day is not a business day, on the immediately preceding business day (the "Interest Payment Dates"), until the aforesaid Conversion Amount is paid or duly



provided for. This Refunding Bond is issued as a Bond Income Growth Security (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Bond Income Growth Security"). The provisions respecting redemption of Bond Income Growth Securities hereinafter set forth apply only to the Bond Income Growth Securities. Any person in whose name this Bond Income Growth Security is registered (the "Holder") should not sell or otherwise dispose of this Bond Income Growth Security without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") of this Bond Income Growth Security. This Refunding Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on and interest accruing prior to the Conversion Date on this Refunding Bond are payable upon presentation and surrender thereof at the principal office of the Paying Agent, presently \_\_\_\_\_ Bank, Fort Wayne, Indiana (the "Paying Agent"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Refunding Bond (or one or more predecessor bonds) if registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by \_\_\_\_\_ Bank, as Registrar (the "Registrar"), at the address appearing therein. Any interest accruing on or after the Conversion Date which is not timely paid or duly provided for shall cease to be

payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Waterworks Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Thousand \_\_\_\_\_ Dollars (\$\_\_\_\_\_), issued for the purpose of providing funds to be applied to the refunding of the City's Waterworks Revenue Bonds of 1967, dated November 1, 1967, now outstanding in the amount of One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000), the City's Waterworks Revenue Bonds of 1968, dated December 1, 1968, now outstanding in the amount of Two Million One Hundred Eighty Thousand Dollars (\$2,180,000) the City's Waterworks Revenue Bonds of 1978, dated December 1, 1978, now outstanding in the amount of Fifteen Million Three Hundred Seventy Five Thousand Dollars (\$15,375,000), and the City's Junior Waterworks Refunding Revenue Bonds of 1982, dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000)

(collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_ day of June, 1986, entitled "An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$4,262,865.05 with respect bond income growth securities and \$17,575,297.00 with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$21,838,162.05 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the waterworks of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 8-1.5-2 (the "Water Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

Reference hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A

copy of the Bond Ordinance is on file in the office of the Clerk of the City.

The principal of and interest on this Refunding Bond and all other Refunding Bonds of said issued, together with any bonds payable hereafter issued ranking on a parity therewith, are payable from and equally and ratably secured by the net earnings of the waterworks of the City of Fort Wayne as the same now exists or may hereafter be improved and extended, which net earnings are to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" which has heretofore been duly created by the Bond Ordinance described above. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IS SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.



Date of  
Registra-  
tion and  
Authenti-  
cation:  
\_\_\_\_\_

This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-metioned  
Bond Ordinance.

\_\_\_\_\_ BANK  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

Registrable at:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

Payable by:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

IN WITNESS WHEREOF,  
in City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Refunding Bond to  
to be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted or  
impressed thereon by  
facsimile or by any other  
means, and attested  
manually or by facsimile  
by its Clerk all as of  
the first day of \_\_\_\_\_,  
1986.

CITY OF FORT WAYNE,  
INDIANA

By (facsimile) \_\_\_\_\_  
Mayor

Attest:

Countersigned:

(facsimile)  
Clerk

(facsimile) \_\_\_\_\_  
City Controller

(FACSIMILE OF SEAL)



[FORM OF REVERSE SIDE OF BOND INCOME GROWTH SECURITY]

The City covenants that it will, to the fullest extent permitted by law, fix, maintain, and collect an aggregate of rates and charges for the services rendered by said waterworks which will be sufficient to pay all costs of operation and maintenance of said waterworks, to create and maintain a fund for the payment of principal and interest on all bonds which by their terms are payable from the net earnings of the waterworks, to create and maintain a fund for the payment of assessed taxes or payments in lieu thereof, and to create and maintain a fund to provide for the payment of the extension, replacement in whole or in part, repair, and operation and maintenance of the waterworks and that it will in all other respects faithfully comply with all of the provisions of the governing statutes pursuant to which this Refunding Bond is issued. In the event the City shall make any default in the payment of the principal or interest on this Refunding Bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty") shall, for purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond. Provided, however, nothing herein shall be construed as requiring the expenditure of any funds if the City derived from any sources other than

the proceeds of the issue of which this Refunding Bond is a part and the revenues derived from the operation of said waterworks system and this Refunding Bond shall not in any respect constitute a general obligation of the City in its corporate capacity.

If any Bond Income Growth Security shall not be presented for payment of principal or interest on the date fixed therefor, or in the event any check or draft for interest on any Bond Income Growth Security is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that Bond Income Growth Security or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bond Income Growth Securities maturing on January 1, 2008, are subject to mandatory sinking fund redemption at a redemption price of 100% of the then applicable Compound Accreted Amount, plus interest from the Conversion Date to the redemption date, on January 1 and July 1 in each of the years 2005 to 2008, inclusive, in the following aggregate Compound Accreted Amounts on the dates specified:

Redemption  
Date

Compound  
Accredited  
Amounts

\*remaining at maturity

In the event that this Bond Income Growth Security or a portion hereof is called for redemption prior to maturity, the amount due upon such redemption (as hereinbefore indicated, the "Compound Accredited Amount"), as principal of and interest on this Bond Income Growth Security (or portion hereof), shall be, as of the date of issuance and any January 1 or July 1 thereafter, the amount set forth in the table below:

Compound Accreted Amount (per \$5,000 Conversion Amount) for Bond Income Growth Securities maturing on July 1, 2008:

Date

Compound Accreted  
Amount

The Compound Accreted Amount for any Bond Income Growth Security (per \$5,000 Conversion Amount of such Bond Income Growth Security) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Bond Income Growth Security, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference

to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in the Bond Ordinance shall, with respect to the Bond Income Growth Securities, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security, as of any relevant date.

If less than all of the outstanding Bond Income Growth Securities are called for redemption at one time, the selection of Bond Income Growth Securities or portions thereof in Conversion Amounts of \$5,000 or any integral multiple thereof to be redeemed shall be made by lot by the Registrar in any manner selected by it. If Refunding Bonds or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Paying Agents and available therefor, then from and after that date the Refunding Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance authorizing the Refunding Bonds.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the



adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the then outstanding Refunding Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the net earnings of the waterworks ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Bond Income Growth Securities are issuable only as fully registered bonds in the principal amounts which correspond to conversion Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bond Income Growth Securities are exchangeable for Bond Income Growth Securities of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Refunding Bond during



a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of such mailing or (ii) any Refunding Bonds so selected for redemption in whole or in party.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. \_\_\_\_\_ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
(Please Print or Typewrite Name  
and Address of Transferee)

the within Refunding Bond, and hereby authorizes the transfer of this bond on the registration books of the Registrar.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner  
(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Refunding Bond in every particular without alteration or enlargement or any change whatsoever).

EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

[FORM OF FACE OF CAPITAL APPRECIATION BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_  
Maturity Amount

CITY OF FORT WAYNE  
WATERWORKS REVENUE REFUNDING BOND

Maturity Date: \_\_\_\_\_ Dated as of: \_\_\_\_\_ Interest Rate: \_\_\_\_\_ CUSIP: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

Principal Amount Per \$5,000 Conversion Amount \_\_\_\_\_  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid registered Owner, or registered assigns, solely out of the special fund hereinafter referred to, the aforesaid Maturity Amount on the aforesaid Maturity Date. This Refunding Bond is issued as a Capital Appreciation Bond (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Capital Appreciation Bond"). The provisions respecting redemption of Capital Appreciation Bonds hereinafter set forth apply only to the Capital Appreciation Bonds. Any person in whose name this Capital Appreciation Bond is registered (the "Holder") should not sell or otherwise dispose of this Capital Appreciation Bond without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth therein and herein called the "Compound Accreted Amount") of this Capital Appreciation Bond.

The principal of and any premium on and interest on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently \_\_\_\_\_ Bank, Fort Wayne, Indiana (the "Paying Agent"). The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Waterworks Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Thousand \_\_\_\_\_ Dollars (\$\_\_\_\_\_), issued for the purpose of providing funds to be applied to the refunding of the City's Waterworks Revenue Bonds of 1967, dated November 1, 1967, now outstanding in the amount of One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000), the City's Waterworks Revenue Bonds of 1968, dated December 1, 1968, now outstanding in the amount of Two Million One Hundred Eighty Thousand Dollars (\$2,180,000), the City's Waterworks Revenue Bonds of 1978, dated December 1, 1978, now outstanding in the amount of Fifteen Million Three Hundred Seventy Five Thousand Dollars (\$15,375,000), and the City's Junior Waterworks Refunding Revenue Bonds of 1982, dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance")

adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_ day of June, 1986, entitled "An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$4,262,865.05 with respect bond income growth securities and not to exceed \$17,575,297.00 with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$21,838,162.05 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the waterworks of the City of Fort Wayne, the collection, segregation and distribution of the net earnings of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 8-1.5-2 (the "Water Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by \_\_\_\_\_ Bank, as the Registrar (the "Registrar").

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A



copy of the Bond Ordinance is on file in the office of the Clerk of the City.

The principal of and interest on this Refunding Bond and all other Refunding Bonds of said issued, together with any bonds payable hereafter issued ranking on a parity therewith, are payable from and equally and ratably secured by the net earnings of the waterworks of the City of Fort Wayne as the same now exists or may hereafter be improved and extended, which net earnings are to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" which has heretofore been duly created by the Bond Ordinance described above. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of  
Registra-  
tion and  
Authenti-  
cation:  
\_\_\_\_\_

This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-metioned  
Bond Ordinance.

Registrable at:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

Payable by:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

\_\_\_\_\_ BANK  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

IN WITNESS WHEREOF,  
in City of Fort Wayne,  
in Allen County, State  
of Indiana, has caused  
this Refunding Bond to  
to be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
manually, or imprinted or  
impressed thereon by  
facsimile or by any other  
means, and attested  
manually or by facsimile  
by its Clerk all as of  
the first day of \_\_\_\_\_,  
1986.

CITY OF FORT WAYNE,  
INDIANA

By (facsimile) \_\_\_\_\_  
Mayor

Attest:

Countersigned:

(facsimile)  
Clerk

(facsimile)  
City Controller

(FACSIMILE OF SEAL)

[FORM OF REVERSE SIDE OF CAPITAL APPRECIATION BOND]

The City covenants that it will, to the fullest extent  
permitted by law, fix, maintain, and collect an aggregate of  
rates and charges for the services rendered by said waterworks  
which will be sufficient to pay all costs of operation and  
maintenance of said waterworks, to create and maintain a fund  
for the payment of all bonds which by their terms are payable  
from the net earnings of the waterworks, to create and maintain  
a fund for the payment of assessed taxes or payments in lieu

thereof, and to create and maintain a fund to provide for the payment of the extension, replacement in whole or in part, repair, and maintenance and operation of the waterworks and that it will in all other respects faithfully comply with all of the provisions of the governing statutes pursuant to which this Refunding Bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this Refunding Bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty") shall, for the purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond. Provided, however, nothing herein shall be construed as requiring the expenditure of any funds if the City derived from any sources other than the proceeds of the issue of which this Refunding Bond is a part and the revenues derived from the operation of said waterworks system and this Refunding Bond shall not in any respect constitute a general obligation of the City in its corporate capacity.

If any Capital Appreciation Bond shall not be presented for payment of principal or interest on the date fixed therefor, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that

Capital Appreciation Bond and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Compound Accreted Amount (per \$5,000 Maturity Amount) for Capital Appreciation Bonds maturing on July 1, \_\_\_\_\_ or January 1, \_\_\_\_\_:

<u>Date</u>	<u>Compound Accreted Amount</u>
-------------	-------------------------------------

[To be provided for each bond]

The Compound Accreted Amount for any Capital Appreciation Bond (per \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Capital Appreciation Bond, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in the Bond Ordinance



shall, with respect to the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Capital Appreciation Bond, as of any relevant date.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than Sixty-Six and Two-Thirds Percent ( $66 \frac{2}{3}\%$ ) in aggregate principal amount of the then outstanding Refunding Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the net earnings of the waterworks ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Capital Appreciation Bonds are issuable only as fully registered bonds in the principal amounts which correspond to Maturity Amounts of \$5,000 or any integral multiple thereof (an



"Authorized Denomination"). The Capital Appreciation Bonds are exchangeable for Capital Appreciation Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing upon presentation and surrender hereof to the registrar.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. \_\_\_\_\_ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_

\_\_\_\_\_  
(Please Print or Typewrite Name  
and Address of Transferee)

the within Refunding Bond, and hereby authorizes the transfer of this bond on the registration books of the Registrar.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner  
(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Refunding Bond in every particular without alteration or enlargement or any change whatsoever).

Bill No. 0-86-06-19

ORDINANCE NO. \_\_\_\_\_

An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$3,538,428.20 with respect to bond income growth securities and not to exceed \$17,718,843 with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$21,257,271.20 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the water works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and repealing ordinances inconsistent therewith.

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed water works pursuant to I.C. 8-1.5-2 (the "Water Act") and predecessor statutes thereto (the "Water Act"), and now owns and operates said waterworks pursuant to the Water Act; and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of

1967" (the "1967 Bonds"), dated November 1, 1967, now outstanding in the amount of Two Million Four Hundred Five Thousand Dollars (\$2,405,000), bearing interest at the rate of five percent (5%) per annum, maturing annually over a period ending January 1, 2000, which bonds constitute a first charge upon a portion of the gross revenues of the waterworks; and

HWEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of 1968" (the "1968 Bonds"), dated December 1, 1968, now outstanding in the amount of Two Million Six Hundred Five Thousand Dollars (\$2,605,000), bearing interest at the rates of five and one-half percent (5.5%) per annum or five and four tenths percent (5.4%) per annum, depending on the maturities, and maturing annually over a period ending January 1, 2000, on which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Waterworks Revenue Bonds of 1978" (the "1978 Bonds"), dated December 1, 1978, now outstanding in the amount of Seventeen Million Fifteen Thousand Dollars (\$17,015,000), bearing interest at the rates of six and three-fourths percent (6.75%), six percent (6.0%) or six and one-half percent (6.5%) per annum, depending on the maturities,

and maturing annually over a period ending January 1, 2003, which bonds are on a parity with the 1967 Bonds and the 1968 Bonds and also constitute a first charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's waterworks and payable out of the revenues therefrom designated "Junior Waterworks Refunding Revenue Bonds of 1982" (the "1982 Bonds"), dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$3,075,000), bearing interest at the rate of twelve percent (12%), per annum, and maturing annually over a period ending January 1, 2002, which bonds are subordinate to the 1967 Bonds, the 1968 Bonds and the 1978 Bonds and constitute a second charge upon a portion of the gross revenues of the waterworks; and

WHEREAS, the Common Council now finds that the refunding of the 1967 Bonds, the 1968 Bonds, the 1978 Bonds and the 1982 Bonds (collectively the "Outstanding Bonds") is necessary and advisable (i) to restructure the City's debt so that with respect to the revenue refunding bonds the City will have no principal payment obligations for a three-year period and (ii) to modify restrictive covenants in the ordinances authorizing the Outstanding Bonds impeding additional financing; and

WHEREAS, the Common Council finds that the financial advisor to the City has advised that the amount necessary for the refunding of the Outstanding Bonds to be financed by the refunding bonds, including estimated incidental expenses, is \$21,257,271.20; and



WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said revenue refunding bonds have been complied with in accordance with the provisions of the Water Act and I.C. 5-1-5 (the "Refunding Act"); now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA, THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Refunding Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means, with respect to the Conversion Amount of the Bond Income Growth Securities and the Maturity Amount of the Capital Appreciation Bonds, the denomination of \$5,000 or any integral multiple thereof.

"Bond Income Growth Securities" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Bond Income Growth Securities and termed Bond Income Growth Securities in Section 3 hereof.

"Bond and Interest Redemption Account" means the Bond and Interest Redemption Account described in Section 11 hereof, including therein the Waterworks Reserve Account.

"Bond Investors Guaranty" means Bond Investors Guaranty Insurance Company and its successors.

"Capital Appreciation Bonds" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Capital Appreciation Bonds and termed Capital Appreciation Bonds in Section 3 hereof.

"Compound Accreted Amount" means, with respect to each date set forth in Section 3 hereof under the headings "Compound Accreted Amounts for Bond Income Growth Securities" and "Compound Accreted Amounts for Capital Appreciation Bonds," for each Bond Income Growth Security and each Capital Appreciation Bond, respectively, the aggregate principal and interest (per \$5,000 Conversion Amount of such Bond Income Growth Security and Maturity Amount of such Capital Appreciation Bond) set forth in said Section.

The Compound Accreted Amount for any Bond Income Growth Security or Capital Appreciation Bond (per \$5,000 Conversion Amount of such Bond Income Growth Security or \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in Section 3 hereof, and prior to the Conversion Date of such Bond Income Growth Securities or the stated maturity of such Capital Appreciation Bonds, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the date listed on such table which are immediately prior to and immediately

subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond or in this Bond Ordinance shall, with respect to the Bond Income Growth Securities or the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security or Capital Appreciation Bond, as of any relevant date.

"Conversion Amount" means the aggregate principal and interest (the Compound Accreted Amount) on a Bond Income Growth Security on the Conversion Date.

"Conversion Date" means July 1, 1996.

"Depreciation Account" means the Depreciation Account described in Section 13 hereof.

"Eligible Investments" means:

1. Direct and general obligations of the United States of America, or obligations which are unconditionally guaranteed as to principal and interest by the United States of America.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States Obligations.

Investment in these proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the instrumentalities, or agencies of the United States of America described below:

- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;
- (g) Federal Housing Administration;

(h) Private Export Funding Corp.;

(i) Tennessee Valley Authority.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations shall not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or Eligible Investments described in No. 1 ("United States Obligations"), which cash or United States Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) The United States Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.



4. Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's Investors Service ("Moody's") or Standard and Poor's Corporation ("S&P") (if rated at all).

5. Direct and general short term obligations of any state of the United States described in No. 4 above which are rated in the highest rating category by Moody's and S&P (if rated at all).

6. Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company which is a member of the Federal Deposit Insurance Corporation ("FDIC") or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation ("FSLIC") which are (a) continuously and fully insured by the FDIC or the FSLIC, or (b) with a bank which has outstanding debt, or which is a subsidiary or a one-bank holding company which as outstanding debt, rated at least P-1 by Moody's or at least A-1 by S&P, or (c) continuously and fully secured by obligations of the type described in Nos. 1 and 2 above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The

depository of the funds being invested should have a perfected first lien in the United States Obligations serving as collateral, and such collateral must be free from all third party liens.

7. Long term or medium-term corporate debt guaranteed by any corporation which is rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which is less than 30 days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer which is rated, or the parent holding company of which is rate, investment grade by Moody's or S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in No. 1 or No. 2 above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledge. The depository of the funds being invested should have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.

9. Prime commercial paper of a United States corporation, finance company or banking institution rated "P-1", or "A-1" by Moody's or S&P, respectively.

10. Public housing bonds issued by public agencies. These bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition of payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

"Escrow Agreement" means the Escrow Agreement, dated as of July 1, 1986 between the City and \_\_\_\_\_ Bank, as escrow trustee.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement and described in Section 10 hereof.

"Escrow Trustee" means \_\_\_\_\_ Bank, Fort Wayne, Indiana.

"Government Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

(a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received

irrevocable instructions concerning their calling and redemption;

- (b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal and premium payments of such municipal obligations;
- (c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent;

provided that any investment or deposit described above is not prohibited by applicable Indiana law.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interest are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the

real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Holder" means the person in whose name a Refunding Bond is registered on the Register.

"Interest Payment dates" means, as to any Bond Income Growth Security, each July 1 or January 1, commencing on July 1, 1989, or, if any such day is not a business day, the immediately preceding business day in the years during which the Bond Income Growth Securities are outstanding under the provisions of this Bond Ordinance.

"Maturity Amount" means the aggregate principal and interest due and payable at the stated maturity of a Capital Appreciation Bond.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by Bond Investors Guaranty simultaneously with the delivery of the Refunding Bonds, insuring the payment of principal of and interest on all or any of the Refunding Bonds in accordance with the terms thereof.

"Operation and Maintenance Account" means the Waterworks Operation and Maintenance Fund created in Section 13 hereof.



"Outstanding Bonds" means the Outstanding Bonds as defined in the preambles hereto.

"Paying Agent" means \_\_\_\_\_ Bank, Fort Wayne, Indiana.

"Refunding Act" means Ind. Code 5-1-5.

"Refunding Bonds" means the \$21,257,271.20 City of Fort Wayne Waterworks Revenue Refunding Bonds authorized in Section 3 hereof.

"Register" means the books kept and maintained by the Registrar for registration of principal and interest on the Refunding Bonds and for registration or transfer of the Refunding Bonds.

"Registrar" means \_\_\_\_\_ Bank, Fort Wayne, Indiana.

"Waterworks Refunding Expense Fund" means the Waterworks Refunding Expense Fund created in Section 11 hereof.

"Waterworks Reserve Account" means the Waterworks Reserve Account created in Section 11 hereof.

"Waterworks Reserve Requirement" means one year's maximum principal and interest on all Refunding Bonds and any bonds on a parity with the Refunding Bonds; provided, however that (a) prior to July 1, 1989 the Waterworks Reserve Requirement with respect to the Refunding Bonds may be equal to the balance in the Waterworks Reserve Account on the date of issuance of

the Refunding Bonds plus interest accrued thereon from the date of issuance and (b) principal and interest requirements for the final maturity year of any series of bonds, including the Refunding Bonds, shall be computed by subtracting from total principal and interest requirements for that series of bonds in that year the balance in the Waterworks Reserve Account allocable to that series.

"Water Act" means Ind. Code 8-1.5-2.

Section 2. The City shall proceed with the refunding of the Outstanding Bonds and the cost of refunding the Outstanding Bonds, including the cost of issuance, shall not exceed the sum of \$21,257,271.20 without further authorization from this Common Council. The terms "waterworks," "works," and other like terms where used in this Bond Ordinance shall be construed to mean and include all structures and property of the City's water utility. The bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Water Act and the Refunding Act, and all acts supplemental thereto, relating to the issuance of revenue refunding bonds.

Section 3. The City shall issue its waterworks revenue refunding bonds in an original principal amount, with respect to Bond Income Growth Securities not to exceed \$3,538,428.20 and with respect to Capital Appreciation Bonds not to exceed \$17,718,843 together aggregating an amount not to exceed \$21,257,271 (the "Refunding Bonds"), for the purpose of procuring funds to apply to the refunding of the Outstanding Bonds, including the cost of issuance.

(a) Form and Numbering. The Refunding Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Refunding Bonds or authorized denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.

(b) Denomination and Dates. The Bond Income Growth Securities shall be issued in Authorized Denominations and shall be dated as of the date of issuance if authenticated prior to the Conversion Date, and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

The Capital Appreciation Bonds shall be issued in Authorized Denominations and shall be dated the date of issuance thereof.

(c) Maturities and Interest Rates. Interest on the Bond Income Growth Securities accruing after the Conversion Date shall be payable on each Interest Payment Date commencing on January 1, 1997 at the rate not to exceed seven and eight hundred and seventy-five thousandths percent (7.875%) per annum, and principal of the Bond Income Growth Securities and interest thereon from the date of issuance of the Bond Income Growth Securities to the Conversion Date shall be payable at maturity (or upon redemption prior to maturity) on January 1, 2008.

The interest rate with respect to the Bond Income Growth Securities is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Bond Income Growth Security shall be an amount equal to, as of any July 1 or January 1, the amount by which the Compound Accreted Amount for such Bond Income Growth Security exceeds the original principal amount of such Bond Income Growth Security on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Bond Income Growth Securities shall not exceed as follows:

Compound Accreted Amount for Bond Income Growth Securities

Due January 1, 2008

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2309.54
01/01/87	2400.47
07/01/87	2494.99
01/01/88	2593.23
07/01/88	2695.34
01/01/89	2801.47
07/01/89	2911.78
01/01/90	3026.43
07/01/90	3145.59
01/01/91	3269.45
07/01/91	3398.19
01/01/92	3531.99
07/01/92	3671.06
01/01/93	3815.61
07/01/93	3965.85
01/01/94	4122.01
07/01/94	4284.31
01/01/95	4453.01
07/01/95	4628.34
01/01/96	4810.58
07/01/96	5000.00
01/01/97	5000.00
07/01/97	5000.00
01/01/98	5000.00
07/01/98	5000.00
01/01/99	5000.00
07/01/99	5000.00
01/01/00	5000.00
07/01/00	5000.00
01/01/01	5000.00
07/01/01	5000.00
01/01/02	5000.00
07/01/02	5000.00
01/01/03	5000.00
07/01/03	5000.00
01/01/04	5000.00
07/01/04	5000.00
01/01/05	5000.00
07/01/05	5000.00
01/01/06	5000.00
07/01/06	5000.00
01/01/07	5000.00
07/01/07	5000.00
01/01/08	5000.00



The Capital Appreciation Bonds shall mature on July 1 and January 1 in the years and in the Maturity Amounts indicated below, and shall bear interest payable at maturity or upon redemption prior to maturity at the rate or rates, not to exceed those indicated below:

Capital Appreciation Bonds

<u>Principal Payment Dates</u>	<u>Original Principal Amounts</u>	<u>Maturity Amounts</u>	<u>Interest Rate</u>
07/01/89	1,052,441.60	1,280,000.00	6.450
01/01/90	1,014,272.00	1,280,000.00	6.600
07/01/90	981,875.20	1,280,000.00	6.600
01/01/91	944,204.80	1,280,000.00	6.750
07/01/91	913,369.60	1,280,000.00	6.750
01/01/92	876,428.80	1,280,000.00	6.900
07/01/92	847,193.60	1,280,000.00	6.900
01/01/93	813,747.20	1,280,000.00	7.000
07/01/93	786,227.20	1,280,000.00	7.000
01/01/94	754,099.20	1,280,000.00	7.100
07/01/94	728,243.20	1,280,000.00	7.100
01/01/95	697,472.00	1,280,000.00	7.200
07/01/95	673,241.60	1,280,000.00	7.200
01/01/96	643,865.60	1,280,000.00	7.300
07/01/96	621,184.00	1,280,000.00	7.300
01/01/97	454,190.80	980,000.00	7.400
07/01/97	437,981.60	980,000.00	7.400
01/01/98	417,666.20	980,000.00	7.500
07/01/98	402,574.20	980,000.00	7.500
01/01/99	383,346.60	980,000.00	7.600
07/01/99	369,313.00	980,000.00	7.600
01/01/00	351,163.40	980,000.00	7.700
07/01/00	338,149.00	980,000.00	7.700
01/01/01	321,067.60	980,000.00	7.800
07/01/01	309,013.60	980,000.00	7.800
01/01/02	292,990.60	980,000.00	7.900
07/01/02	281,857.80	980,000.00	7.900
01/01/03	268,990.40	980,000.00	7.950
07/01/03	258,710.20	980,000.00	7.950
01/01/04	246,724.80	980,000.00	8.000
07/01/04	237,238.40	980,000.00	8.000

The interest rate with respect to the Capital Appreciation Bonds is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted provided herein. The total interest on each Capital Appreciation Bond shall be an amount equal to, as of any July 1

or January 1, the amount by which the Compound Accreted Amount for such Capital Appreciation Bond exceeds the original principal amount of such Capital Appreciation Bond on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Capital Appreciation Bonds shall not exceed as follows:

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1989

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	4132.95
01/01/87	4266.24
07/01/87	4403.83
01/01/88	4545.85
07/01/88	4692.46
01/01/89	4843.79
07/01/89	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3983.53
01/01/87	4114.98
07/01/87	4250.78
01/01/88	4391.05
07/01/88	4536.96
01/01/89	4685.64
07/01/89	4840.27
01/01/90	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3856.27
01/01/87	3983.53
07/01/87	4114.98
01/01/88	4250.78
07/01/88	4391.05
01/01/89	4535.96
07/01/89	4685.64
01/01/90	4840.27
07/01/90	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3708.77
01/01/87	3833.94
07/01/87	3963.34
01/01/88	4097.10
07/01/88	4235.38
01/01/89	4378.32
07/01/89	4526.09
01/01/90	4678.85
07/01/90	4836.76
01/01/91	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3587.69
01/01/87	3708.77
07/01/87	3833.94
01/01/88	3963.34
07/01/88	4097.10
01/01/89	4235.38
07/01/89	4378.32
01/01/90	4526.09
07/01/90	4678.85
01/01/91	4836.76
07/01/91	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3442.98
01/01/87	3561.76
07/01/87	3684.64
01/01/88	3811.76
07/01/88	3943.27
01/01/89	4079.31
07/01/89	4220.05
01/01/90	4365.64
07/01/90	4516.26
01/01/91	4672.07
07/01/91	4833.25
01/01/92	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3328.16
01/01/87	3442.98
07/01/87	3561.76
01/01/88	3684.64
07/01/88	3811.76
01/01/89	3943.27
07/01/89	4079.31
01/01/90	4220.05
07/01/90	4365.64
01/01/91	4516.26
07/01/91	4672.07
01/01/92	4833.25
07/01/92	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3197.02
01/01/87	3308.92
07/01/87	3424.73
01/01/88	3544.59
07/01/88	3668.65
01/01/89	3797.06
07/01/89	3929.95
01/01/90	4067.50
07/01/90	4209.87
01/01/91	4357.21
07/01/91	4509.71
01/01/92	4667.55
07/01/92	4830.92
01/01/93	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	3088.91
01/01/87	3197.02
07/01/87	3308.92
01/01/88	3424.73
07/01/88	3544.59
01/01/89	3668.65
07/01/89	3797.06
01/01/90	3929.95
07/01/90	4067.50
01/01/91	4209.87
07/01/91	4357.21
01/01/92	4509.71
07/01/92	4667.55
01/01/93	4830.92
07/01/93	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2962.91
01/01/87	3068.09
07/01/87	3177.01
01/01/88	3289.79
07/01/88	3406.58
01/01/89	3527.52
07/01/89	3652.74
01/01/90	3782.42
07/01/90	3916.69
01/01/91	4055.73
07/01/91	4199.71
01/01/92	4348.80
07/01/92	4503.18
01/01/93	4663.05
07/01/93	4828.59
01/01/94	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2861.33
01/01/87	2962.91
07/01/87	3068.09
01/01/88	3177.01
07/01/88	3289.79
01/01/89	3406.58
07/01/89	3527.52
01/01/90	3652.74
07/01/90	3782.42
01/01/91	3916.69
07/01/91	4055.73
01/01/92	4199.71
07/01/92	4348.80
01/01/93	4503.18
07/01/93	4663.05
01/01/94	4828.59
07/01/94	5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2740.65
01/01/87	2839.32
07/01/87	2941.53
01/01/88	3047.43
07/01/88	3157.14
01/01/89	3270.79
07/01/89	3388.54
01/01/90	3510.53
07/01/90	3636.91
01/01/91	3767.84
07/01/91	3903.48
01/01/92	4044.00
07/01/92	4189.59
01/01/93	4340.41
07/01/93	4496.67
01/01/94	4658.55
07/01/94	4826.25
01/01/95	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2645.42
01/01/87	2740.65
07/01/87	2839.32
01/01/88	2941.53
07/01/88	3047.43
01/01/89	3157.14
07/01/89	3270.79
01/01/90	3388.54
07/01/90	3510.53
01/01/91	3636.91
07/01/91	3767.84
01/01/92	3903.48
07/01/92	4044.00
01/01/93	4189.59
07/01/93	4340.41
01/01/94	4496.67
07/01/94	4658.55
01/01/95	4826.25
07/01/95	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1996

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2530.19
01/01/87	2622.54
07/01/87	2718.27
01/01/88	2817.48
07/01/88	2920.32
01/01/89	3026.91
07/01/89	3137.39
01/01/90	3251.91
07/01/90	3370.60
01/01/91	3493.63
07/01/91	3621.15
01/01/92	3753.32
07/01/92	3890.32
01/01/93	4032.31
07/01/93	4179.49
01/01/94	4332.04
07/01/94	4490.16
01/01/95	4654.05
07/01/95	4823.93
01/01/96	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2441.09
01/01/87	2530.19
07/01/87	2622.54
01/01/88	2718.27
07/01/88	2817.48
01/01/89	2920.32
07/01/89	3026.91
01/01/90	3137.39
07/01/90	3251.91
01/01/91	3370.60
07/01/91	3493.63
01/01/92	3621.15
07/01/92	3753.32
01/01/93	3890.32
07/01/93	4032.31
01/01/94	4179.49
07/01/94	4332.04
01/01/95	4490.16
07/01/95	4654.05
01/01/96	4823.93
07/01/96	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2331.40
01/01/87	2417.66
07/01/87	2507.11
01/01/88	2599.87
07/01/88	2696.07
01/01/89	2795.82
07/01/89	2899.27
01/01/90	3006.54
07/01/90	3117.79
01/01/91	3233.14
07/01/91	3352.77
01/01/92	3476.82
07/01/92	3605.46
01/01/93	3738.87
07/01/93	3877.20
01/01/94	4020.66
07/01/94	4169.43
01/01/95	4323.69
07/01/95	4483.67
01/01/96	4649.57
07/01/96	4821.60
01/01/97	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2248.21
01/01/87	2331.40
07/01/87	2417.66
01/01/88	2507.11
07/01/88	2599.87
01/01/89	2696.07
07/01/89	2795.82
01/01/90	2899.27
07/01/90	3006.54
01/01/91	3117.79
07/01/91	3233.14
01/01/92	3352.77
07/01/92	3476.82
01/01/93	3605.46
07/01/93	3738.87
01/01/94	3877.20
07/01/94	4020.66
01/01/95	4169.43
07/01/95	4323.69
01/01/96	4483.67
07/01/96	4649.57
01/01/97	4821.60
07/01/97	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2144.09
01/01/87	2224.50
07/01/87	2307.91
01/01/88	2394.46
07/01/88	2484.25
01/01/89	2577.41
07/01/89	2674.07
01/01/90	2774.34
07/01/90	2878.38
01/01/91	2986.32
07/01/91	3098.31
01/01/92	3214.49
07/01/92	3335.04
01/01/93	3460.10
07/01/93	3589.86
01/01/94	3724.48
07/01/94	3864.14
01/01/95	4009.05
07/01/95	4159.39
01/01/96	4315.37
07/01/96	4477.19
01/01/97	4645.09
07/01/97	4819.28
01/01/98	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	2066.60
01/01/87	2144.09
07/01/87	2224.50
01/01/88	2307.91
07/01/88	2394.46
01/01/89	2484.25
07/01/89	2577.41
01/01/90	2674.07
07/01/90	2774.34
01/01/91	2878.38
07/01/91	2986.32
01/01/92	3098.31
07/01/92	3214.49
01/01/93	3335.04
07/01/93	3460.10
01/01/94	3589.86
07/01/94	3724.48
01/01/95	3864.14
07/01/95	4009.05
01/01/96	4159.39
07/01/96	4316.37
01/01/97	4477.19
07/01/97	4646.09
01/01/98	4819.28
07/01/98	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1968.50
01/01/87	2042.84
07/01/87	2120.46
01/01/88	2201.04
07/01/88	2284.68
01/01/89	2371.50
07/01/89	2461.62
01/01/90	2555.16
07/01/90	2652.25
01/01/91	2753.65
07/01/91	2857.65
01/01/92	2966.65
07/01/92	3078.96
01/01/93	3195.96
07/01/93	3317.41
01/01/94	3443.47
07/01/94	3574.32
01/01/95	3710.15
07/01/95	3851.13
01/01/96	3997.48
07/01/96	4149.38
01/01/97	4307.06
07/01/97	4470.72
01/01/98	4640.61
07/01/98	4816.96
01/01/99	5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1896.00
01/01/87	1968.05
07/01/87	2042.84
01/01/88	2120.46
07/01/88	2201.04
01/01/89	2284.68
07/01/89	2371.50
01/01/90	2461.62
07/01/90	2555.16
01/01/91	2652.25
07/01/91	2753.04
01/01/92	2857.65
07/01/92	2966.25
01/01/93	3078.96
07/01/93	3195.96
01/01/94	3317.41
07/01/94	3443.47
01/01/95	3574.32
07/01/95	3710.15
01/01/96	3851.13
07/01/96	3997.48
01/01/97	4149.38
07/01/97	4307.06
01/01/98	4470.72
07/01/98	4640.61
01/01/99	4816.96
07/01/99	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1802.99
01/01/87	1872.41
07/01/87	1944.50
01/01/88	2019.36
07/01/88	2097.11
01/01/89	2177.85
07/01/89	2261.69
01/01/90	2348.77
07/01/90	2439.19
01/01/91	2533.10
07/01/91	2630.63
01/01/92	2731.91
07/01/92	2837.09
01/01/93	2946.31
07/01/93	3059.75
01/01/94	3177.55
07/01/94	3299.88
01/01/95	3426.93
07/01/95	3558.86
01/01/96	3695.88
07/01/96	3838.17
01/01/97	3985.94
07/01/97	4139.40
01/01/98	4298.77
07/01/98	4464.27
01/01/99	4636.14
07/01/99	4814.64
01/01/00	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1736.15
01/01/87	1802.99
07/01/87	1872.41
01/01/88	1944.50
07/01/88	2019.36
01/01/89	2097.11
07/01/89	2177.85
01/01/90	2261.69
07/01/90	2348.77
01/01/91	2439.19
07/01/91	2533.10
01/01/92	2630.63
07/01/92	2731.91
01/01/93	2837.09
07/01/93	2946.31
01/01/94	3059.75
07/01/94	3177.55
01/01/95	3299.88
07/01/95	3426.93
01/01/96	3558.86
07/01/96	3695.88
01/01/97	3838.17
07/01/97	3985.94
01/01/98	4139.40
07/01/98	4298.77
01/01/99	4464.27
07/01/99	4636.14
01/01/00	4814.64
07/01/00	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2001

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1648.61
01/01/87	1712.91
07/01/87	1779.71
01/01/88	1849.12
07/01/88	1921.24
01/01/89	1996.17
07/01/89	2074.02
01/01/90	2154.90
07/01/90	2238.95
01/01/91	2326.26
07/01/91	2416.99
01/01/92	2511.25
07/01/92	2609.19
01/01/93	2710.95
07/01/93	2816.68
01/01/94	2926.53
07/01/94	3040.66
01/01/95	3159.25
07/01/95	3282.46
01/01/96	3410.47
07/01/96	3543.48
01/01/97	3681.68
07/01/97	3826.26
01/01/98	3974.45
07/01/98	4129.45
01/01/99	4290.50
07/01/99	4457.83
01/01/00	4631.68
07/01/00	4812.32
01/01/01	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2001

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1586.73
01/01/87	1648.61
07/01/87	1712.91
01/01/88	1779.71
07/01/88	1849.12
01/01/89	1921.24
07/01/89	1996.17
01/01/90	2074.02
07/01/90	2154.90
01/01/91	2238.95
07/01/91	2326.26
01/01/92	2416.99
07/01/92	2511.25
01/01/93	2609.19
07/01/93	2710.95
01/01/94	2816.68
07/01/94	2926.53
01/01/95	3040.66
07/01/95	3159.25
01/01/96	3282.46
07/01/96	3410.47
01/01/97	3543.48
07/01/97	3681.68
01/01/98	3825.26
07/01/98	3974.45
01/01/99	4129.45
07/01/99	4290.50
01/01/00	4457.83
07/01/00	4631.68
01/01/01	4812.32
07/01/01	5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2002

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1504.56
01/01/87	1563.99
07/01/87	1625.77
01/01/88	1689.99
07/01/88	1756.74
01/01/89	1826.14
07/01/89	1898.27
01/01/90	1973.25
07/01/90	2051.19
01/01/91	2132.22
07/01/91	2216.44
01/01/92	2303.99
07/01/92	2395.00
01/01/93	2489.60
07/01/93	2587.94
01/01/94	2690.16
07/01/94	2796.42
01/01/95	2906.88
07/01/95	3021.70
01/01/96	3141.06
07/01/96	3265.13
01/01/97	3394.10
07/01/97	3528.17
01/01/98	3667.53
07/01/98	3812.40
01/01/99	3962.99
07/01/99	4119.53
01/01/00	4282.25
07/01/00	4451.40
01/01/01	4627.23
07/01/01	4810.00
01/01/02	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2002

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1447.39
01/01/87	1504.56
07/01/87	1563.99
01/01/88	1625.77
07/01/88	1689.99
01/01/89	1756.74
07/01/89	1826.14
01/01/90	1898.27
07/01/90	1973.25
01/01/91	2051.19
07/01/91	2132.22
01/01/92	2216.44
07/01/92	2303.99
01/01/93	2395.00
07/01/93	2489.60
01/01/94	2587.94
07/01/94	2690.16
01/01/95	2796.42
07/01/95	2906.88
01/01/96	3021.70
07/01/96	3141.06
01/01/97	3265.13
07/01/97	3394.10
01/01/98	3528.17
07/01/98	3667.53
01/01/99	3812.40
07/01/99	3962.99
01/01/00	4119.53
07/01/00	4282.25
01/01/01	4451.40
07/01/01	4627.23
01/01/02	4810.00
07/01/02	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2003

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1381.39
01/01/87	1436.30
07/01/87	1493.39
01/01/88	1552.75
07/01/88	1614.47
01/01/89	1678.65
07/01/89	1745.38
01/01/90	1814.75
07/01/90	1886.89
01/01/91	1961.89
07/01/91	2039.88
01/01/92	2120.97
07/01/92	2205.27
01/01/93	2292.93
07/01/93	2384.08
01/01/94	2478.84
07/01/94	2577.38
01/01/95	2679.83
07/01/95	2786.35
01/01/96	2897.11
07/01/96	3012.27
01/01/97	3132.01
07/01/97	3256.51
01/01/98	3385.95
07/01/98	3520.54
01/01/99	3660.48
07/01/99	3805.99
01/01/00	3957.28
07/01/00	4114.58
01/01/01	4278.13
07/01/01	4448.19
01/01/02	4625.00
07/01/02	4808.85
01/01/03	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2003

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1328.58
01/01/87	1381.39
07/01/87	1436.30
01/01/88	1493.39
07/01/88	1552.75
01/01/89	1614.47
07/01/89	1678.65
01/01/90	1745.38
07/01/90	1814.75
01/01/91	1886.89
07/01/91	1961.89
01/01/92	2039.88
07/01/92	2120.97
01/01/93	2205.27
07/01/93	2292.93
01/01/94	2384.08
07/01/94	2478.84
01/01/95	2577.38
07/01/95	2679.83
01/01/96	2786.35
07/01/96	2897.11
01/01/97	3012.27
07/01/97	3132.01
01/01/98	3256.51
07/01/98	3385.95
01/01/99	3520.54
07/01/99	3660.48
01/01/00	3805.99
07/01/00	3957.28
01/01/01	4114.58
07/01/01	4278.13
01/01/02	4448.19
07/01/02	4625.00
01/01/03	4808.85
07/01/03	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: January 1, 2004

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1267.08
01/01/87	1317.76
07/01/87	1370.47
01/01/88	1425.29
07/01/88	1482.30
01/01/89	1541.59
07/01/89	1603.26
01/01/90	1667.39
07/01/90	1734.08
01/01/91	1803.45
07/01/91	1875.58
01/01/92	1950.61
07/01/92	2028.63
01/01/93	2109.78
07/01/93	2194.17
01/01/94	2281.93
07/01/94	2372.21
01/01/95	2468.14
07/01/95	2566.87
01/01/96	2669.54
07/01/96	2776.32
01/01/97	2887.38
07/01/97	3002.87
01/01/98	3122.99
07/01/98	3247.90
01/01/99	3377.82
07/01/99	3512.93
01/01/00	3653.45
07/01/00	3799.59
01/01/01	3951.57
07/01/01	4109.64
01/01/02	4274.02
07/01/02	4444.98
01/01/03	4622.78
07/01/03	4807.69
01/01/04	5000.00



Compound Accreted Amounts for Capital Appreciation Bonds

Due: July 1, 2004

<u>Date</u>	<u>Amount per \$5,000</u>
07/01/86	1218.34
01/01/87	1267.08
07/01/87	1317.76
01/01/88	1370.47
07/01/88	1425.29
01/01/89	1482.30
07/01/89	1541.59
01/01/90	1603.26
07/01/90	1667.39
01/01/91	1734.08
07/01/91	1803.45
01/01/92	1875.58
07/01/92	1950.61
01/01/93	2028.63
07/01/93	2109.78
01/01/94	2194.17
07/01/94	2281.93
01/01/95	2372.21
07/01/95	2468.14
01/01/96	2566.87
07/01/96	2669.54
01/01/97	2776.32
07/01/97	2887.38
01/01/98	3002.87
07/01/98	3122.99
01/01/99	3247.90
07/01/99	3377.82
01/01/00	3512.93
07/01/00	3653.45
01/01/01	3799.59
07/01/01	3951.57
01/01/02	4109.64
07/01/02	4274.02
01/01/03	4444.98
07/01/03	4622.78
01/01/04	4807.69
07/01/04	5000.00

Section 4. Principal of and interest and any premium due on the Refunding Bonds shall be payable in lawful money of the United States of America without deduction for the services of \_\_\_\_\_ Bank, Fort Wayne, Indiana, as the paying agent (the "Paying Agent"). The principal of and any premium of any Refunding Bond, interest on any Bond Income Growth Security from the date of issuance to the Conversion Date, and interest on any Capital Appreciation Bond, shall be payable when due to

the person in whose name a Refunding Bond is registered (the "Holder") on the books (the "Register"), kept and maintained by \_\_\_\_\_ Bank (the "Registrar") for registration and transfer of the Refunding Bonds at the principal offices of the Paying Agent and interest on the Bond Income Growth Securities after the Conversion Date shall be paid on each Interest Payment Date by check or draft which the Paying Agent shall cause to be mailed on that date to the Holder of the Refunding Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Refunding Bond (the "Regular Record Date") at the Holder's address as it appears on the Registrar. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Bond Income Growth Securities after the Conversion Date, on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Refunding Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close

of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Refunding Bond, every previous Refunding Bond evidencing all or a portion for the same debt as that evidenced by the particular Refunding Bond. The Refunding Bonds shall mature on January 1 and July 1, in the years and amounts as set forth in Section 3 thereof.

In the event that Bond Investors Guaranty shall make any payments of principal of, and/or interest on, any of the Refunding Bonds pursuant to the terms of the Municipal Bond Insurance Policy, Bond Investors Guaranty may pay all or a portion of amounts due under the Refunding Bonds to the Holders prior to the state maturity dates thereof.

This Common Council hereby designates \_\_\_\_\_ Bank, Fort Wayne, Indiana, as paying agent under this Bond Ordinance for the Refunding Bonds, as Registrar for the Refunding Bonds for the purpose of keeping and maintaining the Register for the registration, exchange and transfer of the Refunding Bonds pursuant to this Bond Ordinance and as authenticating agent for the Refunding Bonds. Every successor Registrar appointed pursuant to the provisions of the Bond Registrar Agreement described in Section 20 hereof shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Indiana duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000. Bond Investors Guaranty shall be notified immediately upon the resignation or termination of the Registrar and the appointment of a successor Registrar.

Section 5. The Refunding Bonds shall be subject to redemption prior to stated maturity as follows:

Mandatory Sinking Fund Redemption of Bond Income Growth Securities. The Bond Income Growth Securities maturing on January 1, 2008 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the then applicable Compound Accreted Value of such Bond Income Growth Securities, plus accrued interest to the redemption date, on July 1 and January 1, on the dates and in the estimated principal amounts not to exceed those indicated below:

<u>Redemption Date</u>	<u>Compound Accreted Amount</u>
01/01/05	980,000
07/01/05	1,015,000
01/01/06	1,055,000
07/01/06	1,100,000
01/01/07	1,140,000
07/01/07	1,185,000
01/01/08	1,235,000

The aggregate of the revenues of the waterworks specified in Section 13 hereof, which is to be deposited in the Bond and Interest Redemption Account, as hereinafter defined, shall include amounts sufficient to redeem the Compound Accreted Amount of Bond Income Growth Securities set forth opposite each of the dates set forth above (less the amount of any credit is provided below).

The City shall have the option to deliver to the Registrar for cancellation Bond Income Growth Securities in any aggregate Compound Accreted Amount

and to receive a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the City for the Bond Income Growth Securities. That option shall be exercised by the City on or before the 45th day preceding the applicable mandatory redemption date, by furnishing the Registrar a certificate, executed by an authorized official of the City or any member of this Common Council, as the case may be, setting forth the extent of the credit to be applied with respect to the then current mandatory sinking fund requirement. If the certificate is not timely furnished to the Registrar, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced. Unless the City has otherwise directed, a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) also shall be received by the City for any Bond Income Growth Security which prior thereto have been redeemed (other than through the operation of the mandatory sinking fund requirements) or purchase for cancellation and cancelled by the Registrar, to the extent not applied theretofore as a credit against any redemption obligation.

Each Bond Income Growth Security so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Registrar at 100% of the compound accreted amount thereof against the then current mandatory sinking fund obligation. Any excess of that



amount over the then current mandatory sinking fund requirement shall be credited against subsequent sinking fund redemption obligations in the order directed by the City.

The notice of the call for redemption of Refunding Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Refunding Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Refunding Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Refunding Bond shall affect the validity of the proceedings for the redemption of any Refunding Bond.

Notice having been mailed in the manner heretofore provided, the Refunding Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Refunding Bonds and portions thereof to be redeemed, together with interest

thereon to the redemption date, are held by the Paying Agent on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Refunding Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Refunding Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited with and held by the Paying Agent for the redemption of particular Refunding Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Refunding Bonds.

Section 6. The Refunding Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Refunding Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Refunding Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the

Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Refunding Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a first charge upon twenty-nine percent (29%) of the gross revenues and income derived from the waterworks of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired which percentage of such gross revenues and income is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" which has heretofore been duly created. The City shall not be obligated to pay the Refunding Bonds or the interest thereon except from said special fund, and the Refunding Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution or statutes of the state of Indiana.

Section 7. The form and tenor of the Refunding Bonds shall be substantially as provided in Exhibits A and B hereto, all blanks to be filled in properly prior to delivery thereof.

Section 8. So long as any of the Refunding Bonds remain outstanding, the City will cause books for the registration and transfer of Refunding Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Refunding Bonds may be exchanged, at the option of their

Holder, for Refunding Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Refunding Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

An Refunding Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Refunding Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in the name of the transferee, of any Authorized Denomination or Demonimations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds presented and surrendered for transfer.

In all cases in which Refunding Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Refunding Bonds in accordance with the provisions hereof. The exchange or

transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Refunding Bonds which is sufficient in amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Refunding Bond is delivered.

All Refunding Bonds issued upon any transfer or exchange of Refunding Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Refunding Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of refunding bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Refunding Bonds selected for redemption, in whole or in part.

In case any Refunding Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Refunding Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bond redeemed in part.



If any Refunding Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Refunding Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and deliver, a new Refunding Bond of like date, maturity and denomination as the Refunding Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Refunding Bond, the mutilated Refunding Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Refunding Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.

If any lost, wrongfully taken or destroyed Refunding Bond shall have matured, instead of issuing a new Refunding Bond, the City may direct the Registrar to pay that Refunding Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Refunding Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Refunding Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Refunding Bond issued pursuant to this Section by reason of any Refunding Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Refunding Bond lost,

mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Refunding Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Refunding Bonds issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Refunding Bond or payment of a Refunding Bond without surrender.

All Refunding Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Refunding Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Refunding Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Refunding Bond cancelled by the Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Refunding Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Refunding Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City of the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Refunding Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Refunding Bonds shall be provided by the Registrar to the City upon written request.

So long as the Municipal Bond Insurance Policy shall be in full force and effect, the City and the Registrar hereby agree to comply with the following provisions:

(a) if, on the third business day prior to an interest Payment Date the Registrar, after consulting with the Paying Agent, determines that there will be insufficient funds in the funds and accounts available to pay the principal of or interest on the Refunding Bonds on such Interest Payment Date, the Registrar shall so notify Bond Investors Guaranty. Such notice shall specify the amount of the anticipated deficiency, the Refunding Bonds to which such deficiency will be applicable and whether payment due on such Refunding Bonds will be deficient as to either principal or interest, or both;

(b) the Registrar shall, after giving notice to Bond Investors Guaranty as provided in (a) above, make available to Bond Investors Guaranty and Bankers Trust Company as insurance trustee for Bond Investors Guaranty (the "Insurance Trustee"), the registration books of the City maintained by the Registrar, and all records relating to the funds and accounts established under this Bond Ordinance;

(c) the Registrar shall provide Bond Investors Guaranty and the Insurance Trustee with a list of registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Refunding Bonds entitled to receive full or partial interest payments from Bond Investors Guaranty, and (ii) to pay principal due on the Refunding Bonds once such Refunding Bonds are surrendered to the Insurance Trustee by the registered owners of Refunding Bonds entitled to receive full or partial principal payments from Bond Investors Guaranty;

(d) the Registrar shall, at the time it provides notice to Bond Investors Guaranty pursuant to (a) above, notify registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty (i) as to the fact of such entitlement, (ii) that Bond Investors Guaranty will remit all or a portion of the interest payments next coming due, (iii) that if entitled to receive full payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds (along with

a form of transfer of title thereto) for payment to the Insurance Trustee and not to the Paying Agent, and (iv) that if entitled to receive partial payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds for payment thereof first to the Registrar, who shall note on such Refunding Bonds the portion of the principal paid by the Paying Agent, and thereafter, along with a form of transfer of title thereto, to Bond Investors Guaranty, which will then pay the unpaid portion of principal; and

(e) Bond Investors Guaranty shall, to the extent it makes payment of principal of or interest on the Refunding Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms and conditions of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon receipt of proof from Bond Investors Guaranty as to payment of interest thereon to the registered owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon surrender by the registered owners of the Refunding Bonds, together with proof of the payment of principal thereof, to Bond Investors Guaranty.

In the event any Refunding Bond shall not be presented for payment when the principal of or premium or interest (with respect to Capital Appreciation Bonds and Bond Income Growth



Securities) thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest (with respect to any Bond Income Growth Security) on any Refunding Bond is uncashed, if moneys sufficient to pay the principal or interest then due of that Refunding Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal or interest then due of the Refunding Bond or of the interest represented by such check or draft shall cease and be completely discharged. Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Refunding Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal or interest then due of that Refunding Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Refunding Bond not presented for payment or a check or draft not cashed for a period of six years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Refunding Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.

Section 9. The City Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Refunding Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Refunding Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchase has agreed to pay therefor, which shall be not less than ninety-six percent (96%) of the aggregate original principal amount (the "Purchase Price"). The Refunding Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable solely out of the income and revenues of the City's waterworks to be set aside into the Bond and Interest Redemption Account as herein provided, and the proceeds derived from the sale of the refunding Bonds and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 10. The Refunding Bonds are hereby sold and awarded to Cranston Securities Company (the "Original Purchaser") for purchase at the Purchase Price in accordance with the terms of this Bond Ordinance.

The Mayor and City Controller, and either of them, are directed to make the necessary arrangements on behalf of the

City to establish the date, location, procedure and conditions for the delivery of the Refunding Bonds to the Original Purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Refunding Bonds under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Refunding Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Water Act and the Refunding Act.

The Outstanding Bonds shall be retired on their stated maturity dates from payments received from cash and/or direct obligations of the United States (collectively, the "Securities") on deposit in the Escrow Fund held by \_\_\_\_\_ Bank (the "Escrow Trustee") and in accordance with the Escrow Agreement (the "Escrow Agreement"), dated as of July 1, 1986, between the City and the Escrow Trustee. The Escrow Trustee is authorized and directed on behalf of the City to subscribe for such Securities to the extent such Securities are to be those United States Treasury Obligations, State and Local Government Series provided for in 31 F.C.R. Part 344. The Securities are to be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to (i) pay the interest on the Outstanding Bonds which is due and payable on each July 1 and January 1 through

and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due. There is hereby created and established with the Escrow Trustee and ordered maintained in a separate deposit account (except when invested as provided in the Escrow Agreement), the trust fund to be designated "The City of Fort Wayne, Indiana - Waterworks Revenue Bond Escrow Fund," which shall hereinafter be referred to as the "Escrow Fund" and which shall be in the custody of the Escrow trustee and the Securities and any other moneys in the Escrow Fund shall be held in trust for and shall be used solely for the payment of the principal of and interest on the Outstanding Bonds as provided in the Escrow Agreement. The Escrow Fund shall be considered to be a segregated part of the Bond and Interest Redemption Account for the purposes of the ordinances authorizing the Outstanding Bonds and, so long as there are sufficient funds therein to pay the principal of and interest on the Outstanding Bonds as the same become due and payable, the credit provided for in the first paragraph of Section 12 hereof shall be allowed.

Section 11. The accrued interest and premium received at the time of the delivery of the Refunding Bonds, if any, shall be deposited in the Bond and Interest Redemption Account (the "Bond and Interest Redemption Account") heretofore created by Ordinances Nos. 2357 and 2454, adopted March 1, 1951 and continued by the ordinances authorizing the issuance of the Outstanding Bonds. The amount which is presently held in the Bond and Interest Redemption Account described in Section 12 hereof as a debt service reserve for the Outstanding Bonds

(presently estimated to be \_\_\_\_\_) shall be released and shall be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of refunding the Outstanding Bonds under the Water Act and the Refunding Act, in a separate account (the "Waterworks Reserve Account") in the Bond and Interest Redemption Account, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that such reserve is reasonably required in order to secure the Municipal Bond Insurance Policy and enhance the marketability of the Refunding Bonds and that, without this reserve, the Refunding Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the refunding. To the extent that the amount in the Waterworks Reserve Account exceeds the Waterworks Reserve Requirement, such excess may be transferred to the Waterworks Operation and Maintenance Fund or, if the Waterworks Operation and Maintenance Fund is funded in accordance with the requirements of Section 13 hereof, to the Depreciation Account. Bond proceeds in an amount equal to that required to purchase the Securities in the amount required by the provisions of Section 10 of this Bond Ordinance, which amount shall be used to refund the Outstanding Bonds, shall be deposited in the Escrow Fund maintained by the Escrow Trustee. The remaining proceeds from the sale of the Refunding Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Waterworks Refunding Expense Fund" (the "Waterworks Refunding



Expense Fund"). All funds deposited to the credit of said Bond and Interest Redemption Account or Waterworks Refunding Expense Fund shall be deposited, held, secured or invested in Eligible Investments and in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds; provided that any investment of monies in the Bond and Interest Redemption Account (other than the Waterworks Reserve Account) shall mature on or before the time the monies will be required to pay any debt service; provided, further, that all amounts representing accrued and capitalized interest shall be held by the City, pledged solely to the payment of interest and invested only in Government Obligations. In computing the amount in any fund or account, investments shall be valued at the market value of such obligations, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur semi-annually and immediately upon a withdrawal from the Waterworks Reserve Account. If amounts on deposit in the Waterworks Reserve Account shall, at any time, be less than the applicable requirement set forth in Section 12 hereof, such deficiency shall be made up over a twelve (12) month period. The depository or depositories for said Bond and Interest Redemption Account and Waterworks Refunding Expense Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of refunding the Outstanding Bonds or for the expenses of issuance of the Refunding Bonds. The cost of obtaining the opinions of Bingham Summers Welsh & Spilman and Squire, Sanders

& Dempsey shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of the revenues of the waterworks.

The Common Council authorizes the insurance of the Refunding Bonds with a municipal bond insurance company, including Bond Investors Guaranty, if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of refunding the Outstanding Bonds. The cost of obtaining said insurance shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of other funds of the waterworks.

The City covenants that it will not invest the proceeds of the Refunding Bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, make any investment of moneys in the Bond and Interest Redemption Account in any manner, or take or fail to take any other action, which would result in the Refunding Bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue rulings promulgated thereunder, or as determined by any court of competent jurisdiction. The City Controller of the City or any other officer having responsibility for issuing the Refunding Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of

proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Refunding Bonds. The City Clerk of the City shall furnish to the Original Purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Refunding Bonds along with such other information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Refunding Bonds.

Any balance or balances remaining unexpended in the Waterworks Refunding Expense Fund after the payment of all issuance expenses for the Refunding Bonds, which are not required to meet unpaid obligations incurred in connection with such issuance, shall be paid into the Bond and Interest Redemption Account and shall be used solely for the purpose of said fund.

Section 12. The special fund designated "Bond and Interest Redemption Account" is hereby designated as the special fund for the payment of the interest on and principal of the Refunding Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Refunding Bonds and interest thereon. The Bond and Interest Redemption Account shall be continued until all of the bonds issued under said prior ordinances and this Bond Ordinance have been paid. There shall be set aside and paid into the Bond and Interest Redemption Account three business days prior to the first day of each calendar month, as

available, or more often if necessary, a sufficient amount of the net revenues of said waterworks for the payment of (a) the interest on all bonds which by their terms are payable from the revenues of the waterworks, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the waterworks as they fall due; provided, however, that credit shall be given for principal payable on any outstanding bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Bond and Interest Redemption Account and (e) any amounts necessary to maintain a balance in the Waterworks Reserve Account equal to the Waterworks Reserve Requirement. The monthly payments into the Bond and Interest Redemption Account shall be in an amount equal to at least the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Bond and Interest Redemption Account shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof.

In no event shall any part of the Bond and Interest Redemption Account be used in purchasing bonds, except to the extent that the amount then in the Bond and Interest Redemption Account (other than the Waterworks Reserve Account) exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Bond and Interest Redemption Account shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Bond and Interest Redemption Account the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Bond and Interest Redemption Account from the first available revenues and the same shall be in addition to the minimum amounts otherwise therein provided to be so set apart and paid.

Withdrawals shall be made from the Bond and Interest Redemption Account and remitted to the places of payment of the interest and principal to meet such payments when due.

The Bond and Interest Redemption Account, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest of the bonds which



by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Bond and Interest Redemption Account.

Section 13. In the event that all required payments into the Bond and Interest Redemption Account have been met to date and there has been accumulated as a reserve in said Bond and Interest Redemption Account, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated an amount in a separate fund (the "Sewage Works Operation and Maintenance Fund") sufficient for operation, repair and maintenance of the work for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of the works available may be placed in the Depreciation Account (the "Depreciation Account"). Moneys in the Depreciation Account may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Depreciation Account which will interfere with the requirements of the Bond and Interest Redemption Account, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months in the Operation and Maintenance Account shall be transferred to the Bond and Interest Redemption Account if necessary to prevent a

default in the payment of principal of or interest on the bonds payable from the Bond and Interest Redemption Account.

Section 14. All revenues received on account of the waterworks shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Bond and Interest Redemption Account shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing (i) all revenues collected from said works and deposited in said fund, (ii) all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Bond and Interest Redemption Account, (iii) all other financial transactions relating to said works, including the amounts set aside or credited to the Bond and Interest Redemption Account, the Operation and Maintenance Account and the Depreciation Account, and (iv) the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the Original Purchaser of the Refunding Bonds, and to any Holder of the Refunding Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed

for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Refunding Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City shall, to the fullest extent permitted by law, establish, maintain and collect reasonable and just rates and charges for the services and facilities afforded by said waterworks which will provide revenues at least sufficient to pay the reasonable and proper cost of the maintenance and operation of the waterworks, to provide a proper and reasonable depreciation account, and to pay the principal of and interest on all bonds payable from the revenues of the waterworks as the same become due and provide a surplus or margin of ten percent (10%) of the principal and interest due each year, which shall be cumulative. So long as any of the bonds herein authorized are outstanding, none of the facilities and services afforded by said waterworks shall be furnished without a reasonable and just charge being made therefor. The reasonable value of any facility or service rendered to the City, or to any department, agency or instrumentality thereof, including the use of water for hydrants for fire protection or for any other purpose, shall be charged to against the City and shall be aid for as the charges accrue, and the revenue so received shall be deemed to be revenue derived from the operation of the waterworks and shall be used and accounted for in the same manner as other revenues derived from the operation of the waterworks.

Section 16. Refunding Bonds shall be deemed to have been paid and discharged and shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's waterworks if:

(1) There shall be held in trust for and irrevocably committed therein, sufficient moneys, or

(2) There shall be held in trust for and irrevocably committed thereto, noncallable direct obligations of the United States of America certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which are likewise to be held in trust and committed, except as hereinafter provided), together with moneys referred to in clause (1),

for the payment, at the maturity date of those Refunding Bonds, of the principal thereof, together with the interest thereon accrued to the date of maturity, or if default in that payment shall have occurred on that date then to the date of the tender of that payment.

Any moneys held in accordance with the provisions of this Section shall be invested, upon written direction fo the City, only in noncallable direct obligations of the United States of America, the maturities or redemption dates of which, at the option of the holder, shall, to the extent necessary to comply with clause (2) above, coincide as nearly as practicable with, but not later than, the time or times at which those moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent certified from time to time by an independent public accounting firm of national reputation to be in excess of the amount required to be held by it for the purposes of this Section, be transferred at the time of that determination to the City free of any trust or lien.

In the event that the principal of and/or interest on the Refunding Bonds shall be paid by Bond Inventors Guaranty pursuant to the terms of the Municipal Bond Insurance Policy, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the Holders shall continue to exist and Bond Investors Guaranty shall be subrogated to the rights of such Holders.

If the Refunding Bonds shall be deemed paid and discharged pursuant to this Section, then within 15 days after such Refunding Bonds are so deemed paid and discharged the City shall cause a written notice to be given to each Holder as shown on the register on the date on which such Refunding Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to clause (2) of the first paragraph of this Section.



Section 17. Except as provided below, the City covenants that it will not issue any more bonds or notes on a parity with the Outstanding Bonds and that it will not issue any variable rate bonds or notes on a parity with the Refunding Bonds. The City reserves the right, however, to authorize and issue additional bonds or notes, payable out of the revenues of its waterworks, ranking on a parity with the Refunding Bonds authorized by the Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the waterworks, subject to the following conditions:

(a) The interest on and principal of all bonds or notes payable from the revenues of the waterworks shall have been paid to date in accordance with the terms thereof, and all required payments into the Bond and Interest Redemption Account have been made in accordance with the provisions of this Ordinance.

(b) (i) The amount of gross revenues of the waterworks allocated by Section 4(c) of this Ordinance to and deposited in the Bond and Interest Redemption Account in the calendar year immediately preceding the issuance of any such additional parity bonds shall not be less than one hundred twenty percent (120%) of the maximal annual interest and principal requirements of the then outstanding bonds or notes and the additional parity bonds or notes proposed to be issued;  
or

(ii) Prior to the issuance of said parity bonds or notes, the proportion of the gross revenues allocated to said Bond and Interest Redemption Account shall be increased sufficiently so that said increased proportion applied to the previous calendar year's gross revenues would have produced revenues in said Bond and Interest Redemption Account for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding bonds or notes and the additional parity bonds proposed to be issued; or

(iii) Prior to the issuance of said parity bonds or notes, the water rates and charges shall be increased sufficiently and the proportion of gross revenues allocated to said Bond and Interest Redemption Account increased sufficiently so that said increased water rates and charges applied to the previous calendar year's operations would have produced gross revenues in an amount so that the proportion allocated to said Bond and Interest Redemption Account for said year would have equaled not less than one hundred twenty percent (120%) of the maximal annual interest and principal requirements of

the then outstanding bonds or notes and the additional parity bonds or notes proposed to be issued.

For purposes of this subsection, the records of the waterworks shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose.

(c) To the extent required by law, the issuance of the proposed additional parity bonds or notes and any necessary increase in water rates and charges shall have been approved by the Public Service Commission of Indiana, and said Commission shall have certified that the income and revenues of the waterworks, after providing for operation and maintenance and depreciation, will be sufficient to pay the principal and interest of all bonds or notes payable from the revenues of the waterworks, including the additional parity bonds or notes proposed to be issued.

(d) The principal of and interest on said bonds or notes shall be payable semi-annually on January 1 and July 1 in the years in which said principal and interest is payable.

Section 18. For the purpose of further safeguarding the interests of the Holders of the Refunding Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereafter to be let by the City in connection with the construction of any additions and improvements to the waterworks shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any extensions or additions shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its waterworks in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Refunding Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as gross revenues of the works.

(e) So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.



(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said waterworks shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Refunding Bonds herein authorized, unless all of the Refunding Bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Refunding Bonds herein authorized, all of the terms of which shall be enforceable in law or in equity, and after the issuance of the Refunding Bonds this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the bonds, nor shall the Common Council of the City adopt any law, ordinance or resolution which in any way adversely affecting the rights of such Holders so long as any of the Refunding Bonds or the interest thereon remain unpaid. The

Holders of the Refunding Bonds shall have all of the rights, remedies and privileges, either expressly set forth in the provisions of I.C. 8-1.5-2 and I.C. 5-1-6 and all acts amendatory thereof and supplemental thereto, or implied therein, including the right to compel the collection of sufficient rates and charges to provide for the payment of the Refunding Bonds issued hereunder and the interest thereon. Provided, however, none of the provisions of this Bond Ordinance shall be construed as requiring the expenditure of any funds of the City derived from any sources other than the proceeds of said Refunding Bonds and the revenues derived from the operation of said waterworks system and said Refunding Bonds shall not in any respect constitute general obligations of the City in its corporate capacity.

(h) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds herein authorized, for the uses and purposes herein set forth, and so long as any of said Refunding Bonds are outstanding the provisions of this Bond Ordinance shall also be construed to create a trust in the fixed proportion of the revenues of the waterworks herein directed to be set

apart and paid into the Bond and Interest Redemption Account for the uses and purposes of said account as in this Ordinance set forth. Bond Investors Guaranty shall, for purposes of exercising any of the rights or powers referred to in this Section 18(h), be treated as the Holders of all the Refunding Bonds so long as Bond Investors Guaranty has not wrongfully failed to pay under the Municipal Bond Insurance Policy and shall have the exclusive right to act pursuant to such rights or powers with respect to the Refunding Bonds.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds issued pursuant to this Bond Ordinance and then outstanding and Bond Investors Guaranty shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Amount shall be used as the aggregate principal amount for purposes of this sentence; and

provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Refunding Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by this Bond Ordinance; or

(d) A preference or priority of any Refunding Bond or Bonds issued pursuant to this Bond Ordinance over any other Refunding Bond or bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance.

The Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance and Bond Investors Guaranty shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Value shall be used as the aggregate principal amount for purpose of this sentence. No Holder of any Refunding Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or

restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Refunding Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Bond Ordinance, subject to all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Bond Ordinance, the rights and obligations of the City and of the Holders of the Refunding Bonds authorized by this Bond Ordinance, and the terms and provisions of the Refunding Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Refunding Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, the Escrow Agreement, a Bond Registrar Agreement, dated as of July 1, 1986, between the City and Cranston Securities, Inc., each substantially in the form presented to the Common Council but containing such provisions and with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as such officers shall approve.



The Official Statement of the City relating to the original issuance of the Refunding Bonds substantially in the form now on file with the City Controller is hereby approved and the use and distribution of the Preliminary Official Statement is hereby ratified and the Mayor, and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, that Official Statement, with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as those officers shall approve. Those officers are authorized to use and distribute, or to authorize the use and distribution of, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Refunding Bonds, and are each authorized and directed to advise the Original Purchaser in writing regarding limitations on the use of the Official Statement and any supplements thereto for the purposes of marketing or reoffering the Refunding Bonds as the officer acting deems necessary or appropriate to protect the interest of the City. The Mayor and the City Controller are each authorized to execute and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the Official Statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

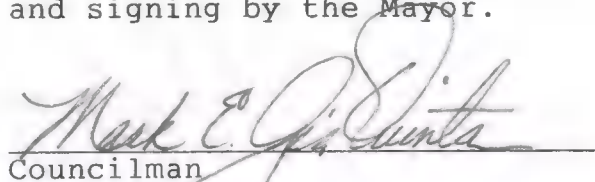
Section 21. The City and the Registrar shall notify Bond Investors Guaranty within five (5) days after each of them has received notice or has knowledge of (i) an event of default under this Bond Ordinance; (ii) the withdrawal of amounts on deposit in the Waterworks Reserve Account; or (iii) the failure

to make any required deposit to the Bond and Interest Redemption Account to pay principal or interest when due.

Any notice that is requested to be given to Holders or the Registrar pursuant to this Bond Ordinance or any supplemental ordinance shall also be provided to Bond Investors Guaranty. All notices required to be given to Bond Investors Guaranty under this Bond Ordinance shall be in writing and shall be sent by registered or certified mail addressed to Bond Investors Guaranty, 70 Pine Street, 53rd Floor, New York, New York 10270, Attention: General Counsel.

Section 23. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, until such time as funds are deposited with the Escrow Trustee pursuant to Section 11 hereof resulting in a defeasance of the Outstanding Bonds.

Section 24. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.

  
Councilman

Approved as to form and legality this 9<sup>th</sup> day of June, 1986.

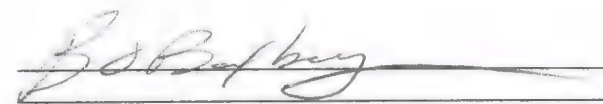
  
Bruce O. Boxberger, City Attorney

EXHIBIT A

[FORM OF BOND INCOME GROWTH SECURITY]

[FORM OF FACE OF BOND INCOME GROWTH SECURITY]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

CITY OF FORT WAYNE  
WATERWORKS REVENUE REFUNDING BOND

Maturity Date: \_\_\_\_\_

Dated as of: \_\_\_\_\_

CUSIP: \_\_\_\_\_

Registered Owner: \_\_\_\_\_ Per \$5,000 Conversion Amount \_\_\_\_\_  
Principal Amount  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Conversion Amount on the aforesaid Maturity Date, or the applicable Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") upon redemption or payment hereof prior to July 1, 1996 (the "Conversion Date"), and to pay interest on the Conversion Amount from the Conversion Date to maturity or earlier redemption from that special revenue fund at the rate of \_\_\_\_\_

\_\_\_\_\_ percent (\_\_\_\_%) per annum, payable on the first days of January and July in each year commencing January 1, 1997 or, if any such day is not a business day, on the immediately preceding business day (the "Interest Payment Dates"), until the aforesaid Conversion Amount is paid or duly

provided for. This Refunding Bond is issued as a Bond Income Growth Security (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Bond Income Growth Security"). The provisions respecting redemption of Bond Income Growth Securities hereinafter set forth apply only to the Bond Income Growth Securities. Any person in whose name this Bond Income Growth Security is registered (the "Holder") should not sell or otherwise dispose of this Bond Income Growth Security without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") of this Bond Income Growth Security. This Refunding Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on and interest accruing prior to the Conversion Date on this Refunding Bond are payable upon presentation and surrender thereof at the principal office of the Paying Agent, presently \_\_\_\_\_ Bank, Fort Wayne, Indiana (the "Paying Agent"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Refunding Bond (or one or more predecessor bonds) if registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by \_\_\_\_\_ Bank, as Registrar (the "Registrar"), at the address appearing therein. Any interest accruing on or after the Conversion Date which is not timely paid or duly provided for shall cease to be

payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Waterworks Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Thousand \_\_\_\_\_ Dollars (\$\_\_\_\_\_), issued for the purpose of providing funds to be applied to the refunding of the City's Waterworks Revenue Bonds of 1967, dated November 1, 1967, now outstanding in the amount of Two Million Four Hundred Five Thousand Dollars (\$2,405,000), the City's Waterworks Revenue Bonds of 1968, dated December 1, 1968, now outstanding in the amount of Two Million Six Hundred Five Thousand Dollars (\$2,605,000) the City's Waterworks Revenue Bonds of 1978, dated December 1, 1978, now outstanding in the amount of Seventeen Million Fifteen Thousand Dollars (\$17,015,000), and the City's Junior Waterworks Refunding Revenue Bonds of 1982, dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000)



(collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_ day of June, 1986, entitled "An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$\_\_\_\_\_ with respect bond income growth securities and \$\_\_\_\_\_ with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$\_\_\_\_\_ to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the waterworks of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 8-1.5-2 (the "Water Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IS SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of  
Registra-  
tion and  
Authenti-  
cation:  
\_\_\_\_\_

This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-metioned  
Bond Ordinance.

\_\_\_\_\_ BANK  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

Registrable at:

\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

Payable by:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

IN WITNESS WHEREOF,  
in City of Fort Wayne,  
in Allen County, State  
of Indiana, ahs caused  
this Refunding Bond to  
to be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
mmanually, or imprinted  
or impressed thereon by  
facsimile or by any other  
means, and attested  
manually or by facsimile  
by its Clerk all as of  
the first day of \_\_\_\_\_,  
1986.

CITY OF FORT WAYNE,  
INDIANA

By (facsimile \_\_\_\_\_  
Mayor

Attest:

Countersigned:

(facsimile)  
Clerk

(facsimile)  
City Controller

(FACSIMILE OF SEAL)

[FORM OF REVERSE SIDE OF BOND INCOME GROWTH SECURITY]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

The principal of and interest on this Refunding Bond and all other Refunding Bonds of said issued, together with any bonds payable hereafter issued ranking on a parity therewith, are payable from and equally and ratably secured by twenty-nine percent (29%) of the gross income and revenues of the waterworks of the City of Fort Wayne as the same now exists or may hereafter be improved and extended, which percentage of such income and revenues is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" which has heretofore been duly created by Ordinance Nos. 2357 and 2454 adopted March 1, 1951 and continued by the ordinances authorizing the Outstanding Bonds. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund.

The City covenants that it will, to the fullest extent permitted by law, fix, maintain, and collect an aggregate of rates and charges for the services rendered by said waterworks which will be sufficient to pay all costs of operation and maintenance of said waterworks, to provide a proper and adequate depreciation account, and to create and maintain the sinking fund required for payment of all bonds which by their terms are payable from the revenues of the waterworks and that it will in all other respects faithfully comply with all of the provisions of the governing statutes pursuant to which this Refunding Bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this Refunding Bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guraranty") shall, for purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond. Provided, however, nothing herein shall be construed as requiring the expenditure of any funds if the City derived from any sources other than the procaeeeds of the issue of which this Refunding Bond is a part and the revenues derived from the operation of said waterworks system and this Refunding Bond shall not in any respect constitute a general obligation of the City in its corporate capacity.

If any Bond Income Growth Security shall not be presented for payment of principal or interest on the date fixed therefor, or in the event any check or draft for interest on any Bond Income Growth Security is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that Bond Income Growth Security or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bond Income Growth Securities maturing on January 1, 2008, are subject to mandatory sinking fund redemption at a redemption price of 100% of the then applicable Compound Accreted Amount, plus interest from the Conversion Date to the redemption date, on January 1 and July 1 in each of the years 2005 to 2008, inclusive, in the following aggregate Compound Accreted Amounts on the dates specified:

<u>Redemption Date</u>	<u>Compound Accreted Amounts</u>
----------------------------	--

\*remaining at maturity



In the event that this Bond Income Growth Security or a portion hereof is called for redemption prior to maturity, the amount due upon such redemption (as hereinbefore indicated, the "Compound Accreted Amount"), as principal of and interest on this Bond Income Growth Security (or portion hereof), shall be, as of the date of issuance and any January 1 or July 1 thereafter, the amount set forth in the table below:

Compound Accreted Amount (per \$5,000 Conversion Amount) for Bond Income Growth Securities maturing on January 1, 2008:

<u>Date</u>	<u>Compound Accreted Amount</u>
-------------	-------------------------------------

The Compound Accreted Amount for any Bond Income Growth Security (per \$5,000 Conversion Amount of such Bond Income Growth Security) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Bond Income Growth Security, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in

the Bond Ordinance shall, with respect to the Bond Income Growth Securities, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security, as of any relevant date.

If less than all of the outstanding Bond Income Growth Securities are called for redemption at one time, the selection of Bond Income Growth Securities or portions thereof in Conversion Amounts of \$5,000 or any integral multiple thereof to be redeemed shall be made by lot by the Registrar in any manner selected by it. If Refunding Bonds or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Paying Agents and available therefor, then from and after that date the Refunding Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance authorizing the Refunding Bonds.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of the then outstanding Refunding

Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Bond Income Growth Securities are issuable only as fully registered bonds in the principal amounts which correspond to conversion Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bond Income Growth Securities are exchangeable for Bond Income Growth Securities of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of such mailing or (ii) any Refunding Bonds so selected for redemption in whole or in party.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. \_\_\_\_\_ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

## ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
(Please Print or Typewrite Name  
and Address of Transferee)

the within Refunding Bond, and hereby authorizes the transfer of this bond on the registration books of the Registrar.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner  
(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Refunding Bond in every particular without alteration or enlargement or any change whatsoever).



EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

[FORM OF FACE OF CAPITAL APPRECIATION BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_  
Maturity Amount

CITY OF FORT WAYNE  
WATERWORKS REVENUE REFUNDING BOND

Maturity Date: \_\_\_\_\_

Dated as of: \_\_\_\_\_

CUSIP: \_\_\_\_\_

Registered Owner: \_\_\_\_\_ Per \$5,000 Conversion Amount \_\_\_\_\_  
Principal Amount  
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Maturity Amount on the aforesaid Maturity Date. This Refunding Bond is issued as a Capital Appreciation Bond (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Capital Appreciation Bond"). The provisions respecting redemption of Capital Appreciation Bonds hereinafter set forth apply only to the Capital Appreciation Bonds. Any person in whose name this Capital Appreciation Bond is registered (the "Holder") should not sell or otherwise dispose of this Capital Appreciation Bond without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth therein and herein called the "Compound Accreted Amount") of this Capital Appreciation Bond.

The principal of and any premium on and interest on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently \_\_\_\_\_ Bank, Fort Wayne, Indiana (the "Paying Agent"). The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Waterworks Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of \_\_\_\_\_ Million \_\_\_\_\_ Thousand \_\_\_\_\_ Dollars (\$\_\_\_\_\_), issued for the purpose of providing funds to be applied to the refunding of the City's Waterworks Revenue Bonds of 1967, dated November 1, 1967, now outstanding in the amount of Two Million Four Hundred Five Thousand Dollars (\$2,405,000), the City's Waterworks Revenue Bonds of 1968, dated December 1, 1968, now outstanding in the amount of Two Million Six Hundred Five Thousand Dollars (\$2,605,00), the City's Waterworks Revenue Bonds of 1978, dated December 1, 1978, now outstanding in the amount of Seventeen Million Fifteen Thousand Dollars (\$17,015,000), and the City's Junior Waterworks Refunding Revenue Bonds of 1982, dated November 1, 1982, now outstanding in the amount of One Million Three Hundred Seventy-Five Thousand Dollars (\$1,375,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance")

adopted by the Common Council of the City of Fort Wayne on the \_\_\_\_ day of June, 1986, entitled "An Ordinance concerning the issuance of revenue refunding bonds of the City of Fort Wayne, Indiana, in an original principal amount not to exceed \$\_\_\_\_\_ with respect bond income growth securities and not to exceed \$\_\_\_\_\_ with respect to capital appreciation bonds, together aggregating an original principal amount not to exceed \$\_\_\_\_\_ to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the waterworks of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 8-1.5-2 (the "Water Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by \_\_\_\_\_ Bank, as the Registrar (the "Registrar").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in

the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of  
Registration and  
Authentication:  
\_\_\_\_\_

This Refunding Bond  
is one of the Re-  
funding Bonds de-  
scribed in the  
within-metioned  
Bond Ordinance.

\_\_\_\_\_ BANK  
Fort Wayne,  
Indiana,  
Registrar

By: \_\_\_\_\_  
Authorized  
Officer

Registrable at:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

Payable by:  
\_\_\_\_\_ Bank,  
Fort Wayne,  
Indiana

IN WITNESS WHEREOF,  
in City of Fort Wayne,  
in Allen County, State  
of Indiana, ahs caused  
this Refunding Bond to  
to be executed in its cor-  
porate name by the man-  
ual or facsimile signa-  
ture of the Mayor of  
the City, countersigned  
by the manual or fac-  
simile signature of  
the City Controller,  
its corporate seal to  
be hereunto affixed  
mmanually, or imprinted  
or impressed thereon by  
facsimile or by any other  
means, and attested  
manually or by facsimile  
by its Clerk all as of  
the first day of \_\_\_\_\_,  
1986.

CITY OF FORT WAYNE,  
INDIANA

By (facsimile \_\_\_\_\_  
Mayor

Attest:

Countersigned:

(facsimile)  
Clerk

(facsimile)  
City Controller

(FACSIMILE OF SEAL)

[FORM OF REVERSE SIDE OF CAPITAL APPRECIATION BOND]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of

the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

The principal of and interest on this Refunding Bond and all other Refunding Bonds of said issued, together with any bonds payable hereafter issued ranking on a parity therewith, are payable from and equally and ratably secured by twenty-nine percent (29%) of the gross income and revenues of the waterworks of the City of Fort Wayne as the same now exists or may hereafter be improved and extended, which percentage of such income and revenues is to be deposited in a special fund to be known as the "Bond and Interest Redemption Account" which has heretofore been duly created by Ordinance Nos. 2357 and 2454 adopted March 1, 1951 and continued by the ordinances authorizing the Outstanding Bonds. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund.

The City covenants that it will, to the fullest extent permitted by law, fix, maintain, and collect an aggregate of rates and charges for the services rendered by said waterworks which will be sufficient to pay all costs of operation and maintenance of said waterworks, to provide a proper and adequate depreciation account, and to create and maintain the sinking fund required for payment of all bonds which by their



terms are payable from the revenues of the waterworks and that it will in all other respects faithfully comply with all of the provisions of the governing statutes pursuant to which this Refunding Bond is issued. In the event the City shall make any default in the payment of the principal of or interest on this Refunding Bond, the holder hereof shall have all of the rights and remedies provided by the governing statutes, including the right to compel the collection of sufficient rates and charges to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty") shall, for the purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond. Provided, however, nothing herein shall be construed as requiring the expenditure of any funds if the City derived from any sources other than the proceeds of the issue of which this Refunding Bond is a part and the revenues derived from the operation of said waterworks system and this Refunding Bond shall not in any respect constitute a general obligation of the City in its corporate capacity.

If any Capital Appreciation Bond shall not be presented for payment of principal or interest on the date fixed therefor, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that Capital Appreciation Bond and thereafter the Holder shall look

only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Compound Accreted Amount (per \$5,000 Maturity Amount) for Capital Appreciation Bonds maturing on July 1, \_\_\_\_\_ or January 1, \_\_\_\_\_:

<u>Date</u>	<u>Compound Accreted Amount</u>
-------------	-------------------------------------

[To be provided for each bond]

The Compound Accreted Amount for any Capital Appreciation Bond (per \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Capital Appreciation Bond, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in the Bond Ordinance

shall, with respect to the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Capital Appreciation Bond, as of any relevant date.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than Sixty-Six and Two-Thirds Percent (66 2/3%) in aggregate principal amount of the then outstanding Refunding Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the waterworks ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Capital Appreciation Bonds are issuable only as fully registered bonds in the principal amounts which correspond to Maturity Amounts of \$5,000 or any integral multiple thereof (an

"Authorized Denomination"). The Capital Appreciation Bonds are exchangeable for Capital Appreciation Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing upon presentation and surrender hereof to the registrar.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. \_\_\_\_\_ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
(Please Print or Typewrite Name  
and Address of Transferee)

the within Refunding Bond, and hereby authorizes the transfer of this bond on the registration books of the Registrar.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Notice: Signature(s) must be guaranteed by a registered broker-dealer or a commercial bank or trust company.

\_\_\_\_\_  
Registered Owner  
(NOTE: The signature above must correspond with the name of the Registered Owner as it appears on the front of this Refunding Bond in every particular without alteration or enlargement or any change whatsoever).



Read the first time in full and on motion by \_\_\_\_\_,  
seconded by \_\_\_\_\_, and duly adopted, read the  
second time by title and referred to the Committee \_\_\_\_\_  
(and the City Plan Commission for recommendation) and the  
Public Hearing to be held after due legal notice, at the  
Council Chambers, City-County Building, Fort Wayne, Indiana,  
on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_M., E.S.T.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Sandra R. Kennedy - City Clerk

Read the third time in full and on motion by \_\_\_\_\_,  
seconded by \_\_\_\_\_, and duly adopted, placed on  
its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYES</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>REDD</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: \_\_\_\_\_

\_\_\_\_\_  
Sandra R. Kennedy - City Clerk

Passed and adopted by the Common Council of the City of  
Fort Wayne, Indiana, as (ZONING MAP) (GENERAL)  
(ANNEXATION) (SPECIAL) (APPROPRIATION)  
ORDINANCE (RESOLUTION) NO. \_\_\_\_\_ on  
the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

ATTEST: (SEAL)

\_\_\_\_\_  
SANDRA R. KENNEDY - CITY CLERK

Approved and signed by me this \_\_\_\_\_ day of \_\_\_\_\_,  
198\_, at the hour of \_\_\_\_\_ o'clock \_\_\_\_M., E.S.T.

Read the first time in full and on motion by Redd, seconded by Redd, and duly adopted, read the second time by title and referred to the Committee Finance (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on \_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., E.S.

DATE: 6-10-86

Mallyda Esteban  
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Redd, seconded by Esteban, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>8</u>	_____	_____	<u>1</u>	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	<u>✓</u>	_____	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GIAQUINTA</u>	_____	_____	_____	<u>✓</u>	_____
<u>HENRY</u>	<u>✓</u>	_____	_____	_____	_____
<u>REDD</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	<u>✓</u>	_____	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 6-24-86

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ANNEXATION) — (APPROPRIATION) — (GENERAL) — (SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. S-106-86 on the 24th day of June, 1986,

ATTEST:

(SEAL)

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Samuel J. Talarico  
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the 25th day of June, 1986, at the hour of 11:00 o'clock A. M., E.S.T.

Sandra E. Kennedy  
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 26 day of June, 1986, at the hour of 10 o'clock A. M., E.S.T.

Win Moses, Jr.  
WIN MOSES, JR., MAYOR



BILL NO. S-86-06-19 (as amended) (as amended)

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS  
REFERRED AN (ORDINANCE) (~~RESOLUTION~~) XXXXXXXXXX concerning the issuance of  
revenue refunding bonds of the City of Fort Wayne, Indiana, in  
an original principal amount not to exceed \$3,538,428.20, etc.,

HAVE HAD SAID (ORDINANCE) (~~RESOLUTION~~) UNDER CONSIDERATION AND BEG  
LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)  
(~~RESOLUTION~~) XXXXXXXXXX

YES

NO

Mark E. GiaQuinta  
MARK E. GIAQUINTA  
CHAIRMAN

Charles B. Redd  
CHARLES B. REDD  
VICE CHAIRMAN

Paul M. Burns  
PAUL M. BURNS

Janet G. Bradbury  
JANET G. BRADBURY

James S. Stier  
JAMES S. STIER

CONCURRED IN 6-24-86

SANDRA E. KENNEDY  
CITY CLERK